The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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Japanese Start Collecting Taxes on Perpetual Leaseholds

Recent Hurricane in Japan Makes Strong Impression on Internal Politics

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SATURDAY, SEPTEMBER 29, 1934 VOLUME 70, NUMBER 5

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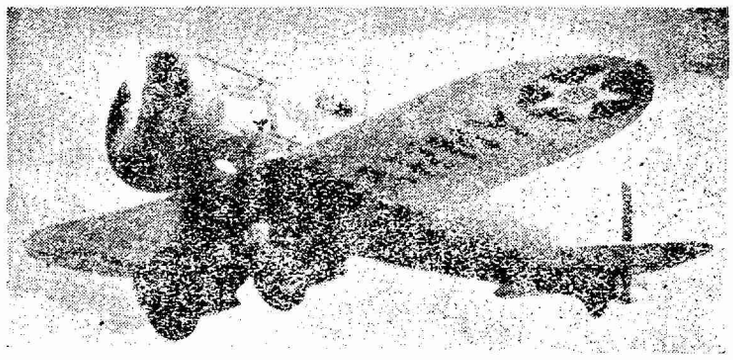

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"Japan's Great Sacrifice"

Shigeyoshi Sakurai, Chief of the *Mainichi's* Changchun Office, recently wrote as follows :—"Great is the sacrifice made by Japan in aiding the growth of her friendly neighbor. The colossal amount of Yen 32,200,000 has been spent purely as an emergency fund since the outbreak of the Mukden incident to date, while Japan was suffering from financial difficulty. More than 10,000 men of the army and navy were killed or wounded during the same period, in the struggle to remove the enemies of the rising new state. And the loss of life for the same cause among the civilians was by no means small. Japan is far from begrudging the sacrifice. It was not made in vain. Manchukuo, step by step, is nearing her goal—the status of a prosperous, powerful country. Nippon's efforts have been largely rewarded."

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The National City Bank of New York, Rates of Exchange

Shanghai, Sept. 26, 1934

Demand selling rate on America :	U.S.$100=Sh. $ 2.78
Demand buying rate on America :	U.S.$100=Sh. $ 2.75
Demand selling rate on London :	£1.0.0=Sh. $13.86
Demand rate buying on London :	£1.0.0=Sh. $13.71

Latest New York Stock Exchange Quotations

Business Done:- 840,000 Shares

September 26, 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCKS	Last Sale Mon. Sept. 24	Last Sale Tue. Sept. 25
13¾	3	—	Adams Express	7¼	7½
33	11⅛	1.20	Alaska Juneau	18⅛	18⅝
160¾	78⅝	6.00	Allied Chemical & Dye	122	125⅛
107⅝	49½	4.00	American Can	97½	99¼
19⅝	3⅞	—	American & Foreign Power	6⅜	6⅞
27⅝	3½	—	American Metal Company	16⅞	15⅞
53⅛	10¾	—	American Smelting	34	34½
134¾	86¼	9.00	American Tel. & Tel.	109⅞	112½
94⅝	50¾	5.00	American Tobacco "B"	75	76¾
43¼	10⅞	—	American Waterworks	16⅜	17¼
22⅞	5	—	Anaconda Copper	11¼	12
18⅝	5⅞	—	Atlas Corporation	8½	8¾
84¼	16⅞	1.00	Auburn	24¾	25½
37⅞	8¼	—	Baltimore & Ohio	15⅝	16⅛
49½	10⅝	—	Bethlehem Steel	28¼	29¼
37⅞	18	1.60	Borden Company	25	25½
28⅛	5½	1.00	Borg Warner	20⅛	21⅜
20⅞	7½	—	Canadian Pacific Railway	13¾	14⅜
103⅞	30½	—	Case, J. I.	40¾	43
40¾	15⅞	1.40	Chase National Bank	22⅛	22⅝
52½	14⅞	2.50	Chesapeake Corporation	38	38¾
60⅞	7¾	1.00	Chrysler	32½	34⅝
28⅛	7⅝	—	Columbia Gas & Electric	8¾	9⅜
6⅛	1¼	—	Commonwealth & Southern (ord.)	1⅛	1⅜
64⅛	25¼	2.00	Consolidated Gas of N. Y.	28⅛	30
28¾	4⅞	0.25	Continental Oil	18¾	19¼
9⅞	2	—	Coty Inc.	5⅜	5⅜
5¼	1½	—	Curtiss Wright Company	2⅝	2⅞
93¾	35	—	Delaware & Hudson	35½	35⅝
45⅝	12	2.00	Dome Mines	43½	42⅝
28½	10¼	—	Douglas Aircraft	15⅝	16⅜
103⅞	32⅛	*2.60	Du Pont de Nemours	88½	91½
101⅛	46	4.00	Eastman Kodak	98	98½
41⅝	9⅛	—	Electric Bond & Share	10⅜	11⅛
15⅝	3⅜	—	Electric Power & Light	4	4⅛
19	8¼	—	Fox Film "A"	11⅜	12⅜
50⅝	16½	2.00	Freeport Texas	24	24½
10¾	2⅞	—	General Aviation	3⅛	3½
30¼	10½	0.60	General Electric	18	18⅝
39⅞	21	1.80	General Foods	29⅜	29⅞
42	10	*1.00	General Motors	29	30
49⅛	13¼	1.00	General Railway Signal	25½	26¼
27⅝	12	1.20	Gold Dust	17⅛	17½
47¼	9¼	—	Goodyear Tire & Rubber	21¼	22¼
81½	15	3.00	Hercules Pwdr. Co.	68	68
430⅛	145	12.00	Homestake Mining	385	385½
57¼	35½	3.00	Howe Sound	48¼	49⅝
23⅞	3	—	Hudson Motors	7⅞	7⅞
40	6⅛	—	International Cement	20¾	22
46⅞	13⅛	0.60	International Harvester	27⅝	28⅜
29¼	6⅜	0.60	International Nickel	24⅞	25½
21¾	5¼	—	International Tel. & Tel.	10	10½
66⅜	12¼	—	Johns Manville	44⅞	47¾
26	7⅝	0.15	Kennecott	19⅛	19¼
79⅝	37½	2.40	Lehman Corporation	69	69½
99⅝	49	*4.00	Liggett & Myers "B"	96	97
36½	8½	1.00	Loew's Inc.	27¼	28½
25¼	10⅜	1.20	Lorillard	17¼	17⅞
35⅝	8⅝	—	Montgomery Ward	25¼	26⅝
54⅜	41¼	1.00	Monsanto Chemical	50¾	49
43	16⅞	1.00	National City Banks	21¼	21⅝
33¼	16⅛	—	National Distiller	19⅛	20⅜
58½	14	—	New York Central	21⅝	23
36½	12¾	4%S	North American	12¾	14⅛
96¾	31½	3.00	Owens Illionois Glass	63¼	64
21⅞	14⅛	1.50	Pacific Gas & Electric	14¼	15⅛
6⅞	1⅜	—	Packard Motors	3½	3¾
42½	13¾	1.60	Pennsylvania Railroad	22¾	23⅝
6⅜	1¼	—	Pennroad Corporation	1⅞	1⅜
20¾	4¾	1.00	Phillips Petroleum	15⅜	15⅝
12¼	3	—	Radio Corporation	5⅞	6
54¼	26⅛	3.00	Reynolds Tobacco "B"	46⅜	46⅞
51¾	12½	—	Sears Roebuck	38⅞	40¼
19⅞	6	0.60	Socony-Vacuum Corporation	14	14½
28	10½	1.50	Southern California Edison	11⅞	12¼
22½	5⅛	—	Standard Gas & Electric	8	8¼
50⅞	22¾	1.00	Standard Oil Co. of N. J.	43¼	43¾
66⅛	45¾	3.80	Sterling Products	58	59
9¼	1½	—	Studebaker	3	3
30⅛	10¾	1.00	Texas Corporation	22⅞	23¼
9⅝	2⅝	0.12	Transamerica	5⅝	5⅝
51⅞	18¾	1.40	Union Carbide & Carbon	42	43½
133⅝	61¼	6.00	UnionPacific	98	102¼
46⅝	12½	—	United Aircraft & Trans.	9½	9¼
14⅛	3⅝	—	United Corporation	4	4⅛
25	13⅝	1.20	United Gas Improvement	14⅝	14⅝
25	2⅞	—	U. S. Rubber	15¾	16¾
67½	23⅜	—	U. S. Steel	32½	34⅝
51⅛	21½	*2.00	Universal Leaf Tobacco	45	45
36¼	7⅝	—	Vanadium	16½	17¼
13⅝	1	—	Warner Bros. Pictures	4⅞	5¼
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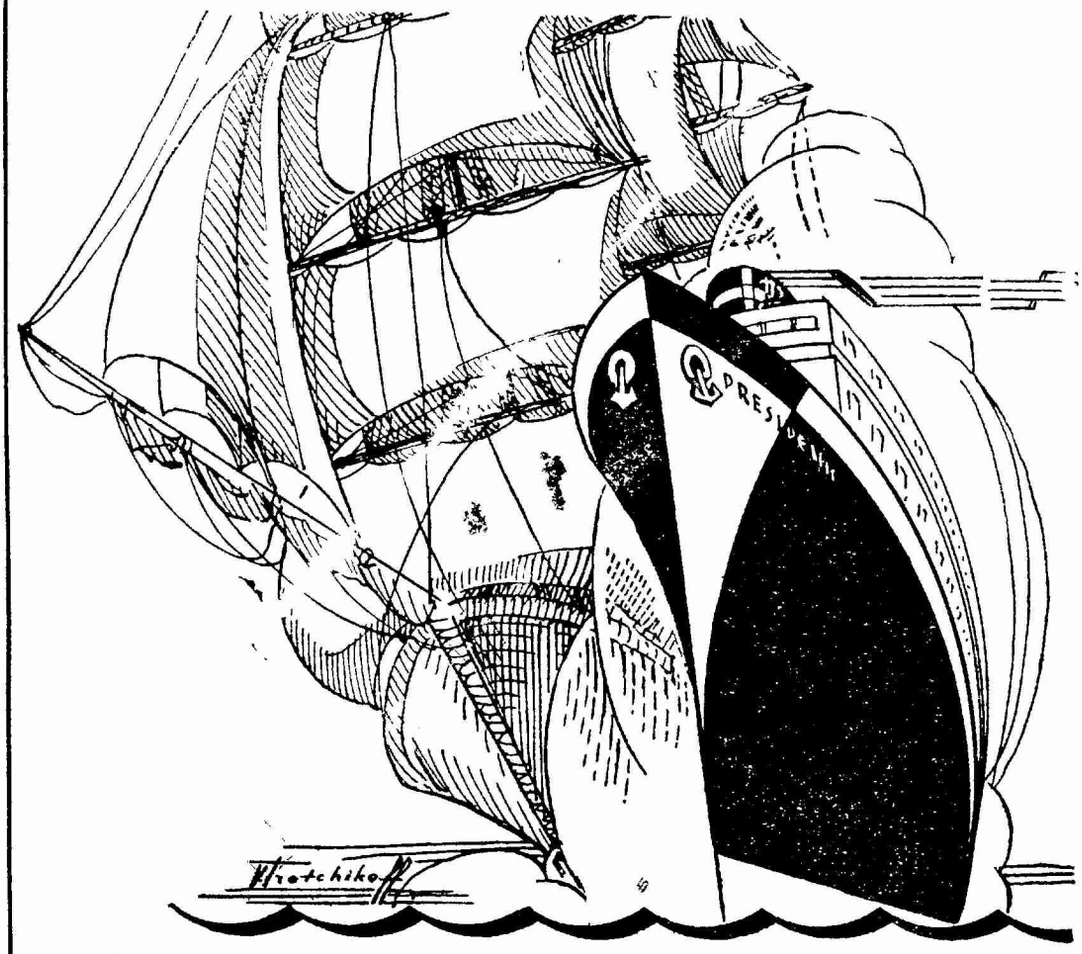

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密勒氏評論報
The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 70 | Shanghai, China, Saturday, September 29, 1934 | Number 5

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

CONTRIBUTING EDITORS

C. Y. W. MENG — S.Y. LEUNG

C. Y. HSIEH — PAUL K. WHANG

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTSING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

FEEDING THE STRIKERS---IN CHINA AND IN AMERICA

IT hasn't happened very often in the past few years, but some of the strikes in Shanghai in the not distant past have been settled on terms about something like this: The employer has had to pay the living expenses of the strikers and that of their families during the time of the strike; he has contributed a sum of money to the employees' guild, a part of which would be used to stage a parade, punctuated with cheers to celebrate the victory; and the whole thing would be rounded off with a big feast for the employees, paid for by the "boss." Although the parallel is not quite on all fours, nevertheless the germ of this Chinese idea has now been injected into the subject of labor disputes in the United States. The point which has arisen as a result of the strikes that have swept various parts of the United States recently is whether the relief agencies should give relief to strikers and their families—assuming of course that they needed it. The answer, generally, has been that the relief administrators would not enquire into the matter as to the reasons why the applicant needed relief; in other words the mere fact that a man had gone on strike and was not receiving wages would not influence the people who doled out the relief; their duty was simply to satisfy themselves that the relief was needed. The *New York Times* of Aug. 28 considered the matter of such importance that it put a heading three columns wide on the front page entitled, "Strikers Eligible for Aid, Federal Heads Rule." Note was made of the fact that William Hodson, Commissioner of Public Welfare, when asked whether the proposed plan of imposing a relief tax on the gross receipts of all business in New York City did not place merchants in the position of underwriting possible strikes against themselves, replied, "That is inherent in the situation." Edward Corsi, director of home relief in the Department of Public Welfare was quoted as admitting that he had no way of telling how many of the 190,000 families dependent on his bureau for support were the families of strikers. "We can't put the relief administration of the city in the position of helping

to break a strike," he declared. "Of course, it may be a debatable question whether, on the other hand, support should be offered, but I lean to the view that it should." In Washington, Harry L. Hopkins, Federal Relief Administrator, reiterated the national administration's policy of feeding hungry strikers the same as those who are unemployed by force of economic necessity. Francis J. Gorman, chairman of the Textile Strike Committee, who also was in Washington, was quoted as having estimated that about 3,000,000 persons would temporarily be added to the relief rolls as a result of the strikes in the textile industry. Mr. Gorman added that if the strikers had full stomachs they would be less likely to resort to violence than if they were hungry and consequently ugly.

JAPANESE ARMY CLIQUE CLINCHES ITS HOLD ON MANCHURIA

BY the recent action of the Japanese Cabinet approving the plan for the reorganization of administrative organs in Manchuria the Army clique has fastened its control on this former Chinese territory more firmly than ever. When it came to a showdown, General Hayashi, the Minister of War, simply stated that unless the plan went through he would resign, and that brought the rest of the Cabinet into line at once, as it would have meant the downfall of the Government. The post of Minister of War, according to Japanese law, has to be held by a General on the active list, and if he resigns it might be difficult or almost impossible to find a successor. That, of course, would force the resignation of the whole Cabinet—a risk which none of the members, not even the Minister of Overseas Affairs, (in reality at he moment the Premier who is acting concurrently as Overseas Minister) whose authority was being clipped, cared to take.

The *Tokyo Asahi* gives the following as the essential points of the new arrangement:

1. An independent secretariat to be known as the Manchukuo Bureau is to be created within the Cabinet, and the major part of affairs associated with Japanese administrative organs in Manchukuo, now in the jurisdiction of the Overseas Ministry, are to be transferred to the new office. The purpose of the bureau is liaison work between the Japanese Government and Japanese organs in Manchukuo.

2. A director-general shall be nominated for the Manchukuo Bureau, with assistant directors and the necessary subordinate officials.

3. In addition to civil officers to be assigned regularly to the Manchukuo Bureau, high officials from other ranks may be ordered to participate in the business of the bureau, in order to bring about better liaison.

4. The Ambassador to Manchukuo shall be vested with authority to supervise the undertakings of the South Manchuria Railway Company and the Manchuria Telegraph and Telephone Company, as well as with the authority to superintend the Governor of Kwangtung Province and the administration of the South Manchuria Railway Zone.

5. Present organs of the Ambassador to Manchukuo and the diplomatic offices in his jurisdiction are to continue in conformity with laws currently in force.

6. The Ambassador to Manchukuo shall be under direct control of the Premier for the exercise of specified duties.

7. The post of Ambassador to Manchukuo shall be held concurrently by the Commander of the Kwantung Army.

8. In order to dispose of administrative affairs of the Ambassador to Manchukuo, an administrative office shall be created in the Embassy and a director and a staff assigned to the office.

9. The nomination of the director of the staff of the administrative office, shall be within the jurisdiction of the Premier. In executing their duties, however, the director and the staff shall act under the direction of the Premier.

10. For smooth liaison between the administrative office and the diplomatic officials the director of the administrative office may be nominated a counsellor of the Embassy concurrently. Such a counsellor is to be nominated in addition to the counsellor proper to the Embassy.

11. Necessary subordinate offices may be established, but care is to be taken that they be made as simple in operation as posible.

12. A Governor shall be appointed for the Kwantung Leased Territory, to be under the control of the Ambassador. The courts, communications offices and the Technical University of Port Arthur also shall be under the control of the Ambassador.

13. The office of the Chief of Police Affairs may be held concurrently by the Commander of the Kwantung Gendarmerie.

The most illuminating comment that we have seen on the new regime which is to control the destinies of Manchuria—to come into power in the not distant future—is the following by *Tokyo Miyako*:

"The special relations between Japan and Manchukuo and the Japanese-Soviet situation probably make the military dictatorship in Manchukuo unavoidable, but it will not do for Japan to let others think that the military is monopolizing the execution of its policy toward the new States. The military must bear this in mind and act with caution."

JAPANESE START COLLECTING TAXES ON PERPETUAL LEASEHOLDS

A FRENCH (*Havas*) telegram reports via London that the Japanese have started collecting taxes on the so-called perpetual leases held by British subjects in Japan and that the British Government has entered a protest—with what result, not stated. The method of collecting is, we believe, to forcibly take possession, and then release the property involved upon the deposit of a sum of money sufficient to cover the tax claimed.

In this particular case, for once, our sympathies are with the Japanese point of view. The only ground that the British have to stand on is that it is in the contract. But so it was in the case of Shylock. It is quite a different world to-day than it was when the Japanese agreed to the proposition that these perpetual leases should be free of taxation. That they should be free of national taxation is an understandable propostion, but that they should be free of municipal taxation

seems entirely beyond the bounds of reasonableness. The mere fact that at some time in the past the Japanese agreed to such an arrangement and that they now try to break it should not stand so much against them. Nobody seems to be keeping their agreements these days where money matters are concerned, neither the Germans, nor the British,—nor Americans for that matter. The Germans say they can't pay, the British say it is not expedient, and this in turn has had the effect of America also falling in line in not meeting its obligations, to the extent at least that various promises to pay gold are not being met, the creditors being compelled to take paper instead. So why should the Japanese be held to an agreement of this sort, which on the face of it is absolutely unfair? Even China, weak as it is to-day, would never think of agreeing to such a proposition—assuming that any nation would nowadays propose such a thing (which, naturally, it would not.) The Japanese defied the world in the very much greater Manchurian matter. They are not likely, therefore, to back down in this matter of insisting that foreign leaseholders shall hereafter pay taxes the same as their own people have to.

SOME OF THE THINGS THE JAPANESE ARE THINKING ABOUT

IN order to be on the safe side in one's dealings with the party on the other side—and the same holds true whether it is a game of love, of politics or of war—it is important that one should try to become *au fait* with what the other party is thinking about. As regards a people or a nation there is no better way to ascertain what is being recorded in the convolutions of their brains than by carefully noting the opinions of the principal newspapers. An example of the value of following this precept was to be seen during the month of October, 1918, when the first inkling that the German war machine was cracking came through a close reading of the German newspapers. As one correspondent put it, "Don't pay any attention to the official communiques. Just note the change in the tone of the German editorials."

The following are some of the things the Japanese are thinking about, as reflected in several of the principal newspapers:

"Normal relations between Japan and China are essential for peace in East Asia. A policy based on this realization is hampered however by the maneuvers of the pro-American and pro-European faction."—*Tokyo Chugai.*

"Before long Britain will come to us for an alliance. Then Japan's isolation will be at an end. Revival of the Anglo-Japanese alliance is a question of time."—*Tokyo Kokumin.*

"Nothing can be more ridiculous than the present estrangement between the two countries [Japan and Soviet Russia] if it is due to the third party's propaganda or to mutual misunderstanding." —*Tokyo Hochi.*

The Chinese will make a great mistake if they imagine that relations between Japan and the Soviet Union will become serious. The Nanking statesmen and the Chinese people must get rid of their illusion that a serious clash is coming."—*Tokyo Chugai.*

"Harmful effects on the future of naval disarmament will result from the projected American naval maneuvers in the Pacific, if these are designed to impress Japan with the United States' sea might." —*Japanese Navy Spokesman.*

CHINESE CENSORSHIP

HENRY BARDE, in charge of the French *Havas* news service in Shanghai, wrote a long letter to the local French newspaper Sept. 25 concerning the censorship of telegrams sent out from Shanghai. He gives the text of a telegram as he had sent it out of Shanghai and then details of the contents as it reached Paris. All the really important matters were missing. In his letter M. Barde asks whether the censorship which is being imposed is legal or regular and also: Who is the chief person responsible? What M. Barde particularly complains about is that a correspondent is not informed *at the time of the censorship* that same has been applied. He feels that the sender should be informed at the time of dispatch what has been cut out. He says that he knows only two countries—namely China and Japan—where the censorship is exercised with such "modesty" that it is necessary to await the return mails from abroad in order to find out that a *month previously* one had been prevented from sending this or that piece of news.

This leads us to make the following comment:

China is perfectly within its rights in enforcing a censorship. China is herself the judge of what it is in the interest of the country should be made known abroad. However, there is this point to be borne in mind: China is at this moment very much in need of a "good press" the world over. To a large extent the fate of China in its international relations is in the hands of the newspaper representatives in this country. Politicians in the United States particularly appreciate this matter of a "good press." One person who constantly keeps this fact in mind is President Roosevelt. His success, his popularity, is largely due to the fact that he treats the newspaper correspondents with the utmost fairness, and naturally they reciprocate. The principal point made by the French correspondent above referred to is not so much against the censorship as such, but against the way it is applied, namely that it is *unfair* to the correspondent that he should be kept in the dark of the fact that such censorship has been invoked. If it should become a custom for newspaper correspondents generally to link China and Japan in the way that M. Barde does in the letter above referred to, it will inevitably cause harm to China abroad. But, make no mistake about it Japan realizes the necessity of securing a "good press," *vide* the fact that at this very moment a large group of representative newspaper men are in Japan and are being wined and dined, being shown all over Japan and later

Manchuria, a tour that will take about a month, with little or no expense to the visitors themselves. They are in Japan, to use the words of the *Japan Times* (owned and edited by Japanese), "to learn from first-hand contact and first-hand study, all about Japan, its purposes and its policies, its achievements and its aspirations."

TSINGTAO

TSINGTAO has just closed its most successful tourist season. This beauty spot, where deep blue sea and wild mountains combine to make an enchanting landscape, is not known nearly so well throughout the world as it ought to be. World travellers who have seen the summer resorts of Europe and America testify that none of them excels Tsingtao. Tsingtao is known to the world mostly as a German fortress which was captured by the Japanese in 1915. The fact that the Germans had transformed what was a barren landscape into a city with houses built of substantial granite and brick, surrounded by verdure as far as the eye could reach in all directions—the latter as the result of up-to-date forestry methods—is not so well known. The Chinese have fallen heir to this spot, thanks to the Germans being driven out by the Japanese, and the Japanese in turn having had to evacuate as the result of pressure brought by Western nations, with America in the lead, at the Washington Conference. It was freely predicted that the Chinese would not measure up to their opportunities. In this, prejudiced foreign opinion has been absolutely mistaken. Returning travellers all testify to the fact that the town is well managed, that the streets are kept clean, that traffic is well controlled and that the beaches are adequately policed. Writing in the local French journal, a member of the French bar whose criticisms of Chinese are at times particularly severe, pays a high tribute to the efficiency of Chinese management at Tsingtao. One of the unpleasant features of traveling between said port and other ports of China is that owing to the archaic way in which many things in China are still managed, there are both customs and passport formalities to be observed, even though the traveller is from another Chinese port, Shanghai included. How it comes about that if one travels by rail between one port in China and another, one escapes both passport and customs control, but if one travels by boat one must run the gauntlet of both—and of course pay visa fees for the passport—is one of the mysteries of the occult East. Whenever Young China feels hurt at the inroads which foreign imperialism has made in China, they should not omit to put Tsingtao to the credit account of imperialistic ventures in China. The Chinese have the best foreign-built city in the country absolutely under their own control. They did not design or build it. They fell heir to an experiment in imperialism which met shipwreck. Tsingtao was paid for by millions of German taxpayers who never had the chance even to gaze upon it. The Chinese, as things have turned out in this instance, are the ones who have benefitted from this German imperialistic experiment. There are also other similar instances, and there will probably be more as time goes on. The history of Tsingtao was partially written on what was known as the Diederich-stein. On one of the many rocks on the outskirts of the town the Germans had smoothed off a large surface and in sonorous German recorded the fact that on such and such a date the German Admiral Diederichs had taken possession of Tsingtao. When the Japanese came along they did not destroy the rock. They merely, with *vertical* lines, chiselled in the fact with Japanese (Chinese) characters that on such and such a date they (the Japanese) had taken the place from the Germans. The Japanese did not give the Chinese a chance to carve the fact of their repossession also on this rock, as when the Japanese had to give up possession, they sliced off a large slab from the rock containing the inscriptions and transported it to Japan—where, we understand, it is still being preserved.

THE PEREGRINATIONS OF A WHALE

A LARGE embalmed whale without a home is lying on a specially constructed truck in the Shanghai yards of the Shanghai-Nanking railway. This whale has had quite a history and as matters now stand some scientific institution or museum in China or some other part of the Far East is missing a great opportunity to get a specimen at a very cheap figure. The situation is that the whale is a sort of oozing away as the result of being exposed to the weather, but if taken in hand can easily be preserved for generations to come. Considering that scientific societies in the United States send explorers at great expense far to the interior of China to secure specimens, and when one remembers that in the Museum of Natural History, off Central Park in New York, there is strung under the roof a whale not much larger than the one that is here in Shanghai, secured at great expense, the suggestion is here made that the Royal Asiatic Society or some Chinese government department should take the opportunity that is offered to secure this educational exhibit for the benefit of the public. This whale was brought to China half a year ago by an American, who, hit by the hard times in America, conceived the idea of exhibiting it in China. The whale was exhibited here for a while, and later was taken in hand by a foreign-managed eleemosynary institution in North China and was exhibited on a railway car in various parts of the country. Fair sums were realized, but not sufficient to continue the experiment. The lessees therefore returned the whale to Shanghai. The owner has, however, in the meantime, returned to America, as for him the whale is figuratively a white elephant. If there should be any institution interested in the idea as above indicated, *The Review* will be glad to use its good offices to bring them into touch with those who are authorized to "get rid of" this whale.

Shanghai Has Another Rubber Boom

SHANGHAI has a population greater than that of Chicago and more than half as much as New York City, and in many respects its activities are on a par with those in the said two largest of American cities. But there is one form of activity which is insignificant here in comparison with operations in New York and Chicago, and in other large cities of the world, namely, Stock Exchanges. Of course, Exchanges of various kinds are in operation here, and the transactions on the Cotton Exchanges in Shanghai have similar characteristics to those of the Wheat Pit in Chicago. Probably the largest of all operations here are those which have to do with gold and silver. A close second to the gold and silver operations is the huge business that is done in the various forms of Government bonds. But Stock Exchanges, as such, practically do not exist in Shanghai or in other cities of China, for the very simple reason that there are very few incorporated companies, and therefore there are very few shares to deal in. What is written so far applies to Chinese-operated concerns. There is, however, a foreign-operated Stock Exchange here and there is a sufficient number of foreign incorporated companies to supply a fair amount of trading business, but in comparison with other similar-sized cities the operations of the Shanghai Stock Exchange are insignificant. A really astounding fact, when one comes to think of it, is that the principal line of shares dealt with in Shanghai relates to companies whose assets are not in Shanghai—not even in China. The reference is to Rubber, a product the prices of which during a term of years has been even more elastic than the product itself. How Shanghai got into the rubber business is a long story, but briefly stated, something like a quarter of a century ago, when stories came to float into this city of the profits that there were to be made in what was then still a fairly young industry—plantation rubber, as opposed to wild rubber particularly as it had been developed in the Straits Settlement and the Netherlands Indies—a wave of company promotion swept over Shanghai, and the whole population, Chinese and foreign became hypnotized with the idea of getting rich quick by dealing in rubber shares. People closer to the seat of the industry kept their heads better. It was here in Shanghai that a situation was created that had many points of similarity with the Mississipi Bubble. Old timers here will tell you that the ricshas in those days just before morning office opening hours were all headed in one direction, namely to the offices of the newly incorporated rubber companies, where the Shanghai public, almost to a man, was in a frenzy to subscribe for shares—with the idea that the holder would be able to get his shares at par, load them off on some one else at a profit, and then reinvest the proceeds in the new company which would inevitably be formed a few days later. A few people made millions. The great mass lost heavily in the end, not because the rubber industry as such was not a sound proposition, but because quite a few companies were capitalized at ten times their value. In one case a clever Dutchman sold to one heavily-capitalized company a practically worthless swamp, one of the repercussions of which was that a member of the Shanghai Municipal Council, a wealthy man with a large private residence on Bubbling Well Road, was imprisoned for several months because he had passed on to the public the fraud that the Dutchman had passed on to the company.

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These reflections are called forth by the fact that once more the rubber shares on the Shanghai market—and other markets—are enjoying a boom, and, as far as one can judge, a fairly healthy one. Rubber is selling in the world's markets today for more than double what it did a year ago and the general tendency is upwards, although during the past week or so there has been a slight recession owing to the strikes in the United States. The principal general reason for the rise—as most people who speculate know, but the majority of the general public do not—is that the principal producing countries have joined in a restrictive scheme, while at the same time there has been a somewhat increased demand as compared with several years back. This restrictive scheme some time in the future will probably meet its doom the same as all such schemes do. The Stevenson scheme, for example, after pushing rubber up to dizzy heights, eventually came to grief due to competition from outside and in the end the holders of shares found their shares in many instances worth less than a tenth of what they had paid for them. The present international restriction scheme is, however, fairly water-tight. The Stevenson scheme was purely British, and the result was that it was sunk by outside, principally Netherlands Indies, competition.

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Rubber is one of the two products for which the United States has to depend for almost entirely on British and Dutch possessions in Asia—the other is tin. American consumption of these two articles is by far greater than in any other country in the world. The country that is hit most by the restriction scheme is the United States and it may be taken for granted that American tire manufacturers look forward eagerly for the day when the present restrictive scheme will go into limbo with the old Stevenson scheme. In the meantime rubber shareholders in Shanghai who have been holding shares during the lean years are beaming. An example of how things have changed is to be found in the local Anglo-Java rubber company. The shares of this company which stood at just over a dollar two years ago are now quoted at more than eight dollars.

In connection with the above notes on rubber it may be noted that rubber is one of the four articles which have for many years stood at

the head of America's reports. The other three are: Silk, raw coffee, and sugar. In 1925 and 1926 rubber, because of the inflated price, stood first in value. An interesting point to note in connection with these four articles is this: Rubber, coffee and raw silk enter the United States absolutely free of duty, whereas sugar is so heavily taxed that it brings into the United States treasury a revenue which is by far higher than that contributed by any other article.

Japanese Accept Reduced Offer of Soviets to Sell Chinese Eastern Railway

A TELEGRAM from Tokyo early in the week reported that the Japanese had accepted the reduced Soviet offer of Yen 170,000,000 to sell the Chinese Eastern railway. On the same date—in some newspapers the telegrams were printed in parallel columns—a *Rengo* message gave the information that the Japanese arms establishments had been hard hit by the recent hurricane. Although there is probably no connection with the two incidents it is nevertheless worth while to keep the coincidence in mind.

The initial price set by the Soviet Russia when the negotiations commenced in 1933 was Yen 625,000,000. In the meantime there had been frequent bargaining, but no definite rupture occurred until the beginning of last month, when the Soviet Government rejected Mr. Hirota's "compromise offer" of Yen 150,000,000, and insisted on Yen 190,000,000. Considerable "fireworks" were let off on both sides when the rupture occurred, and for a moment it seemed that the long-expected clash between the two countries would become a reality. A feature of the statements issued by the two sides was that they each drew different conclusions from the agreed facts. Whereas the Soviets contended that they, by constantly reducing their price, were showing a conciliatory and accommodating spirit, the Japanese countered that these reductions were merely proof that the original Soviet offers were exorbitant.

The exact details of the arrangements which will mean the elimination of Soviet enterprise from Manchuria are still to be worked out, but it may be taken for granted that in the end the Japanese will in reality pay very little in order to secure control of the line. The negotiations for the sale of the Chinese Eastern railway from the Soviets to the Japanese have many points of resemblance to the negotiations which were started some time ago between the United States and the Soviets to liquidate various old debts, due by the Czarist and Kerensky governments and to pay for American property in Russia seized by the Soviets. In the C. E. R. negotiations the Soviets are supposed to receive money; in the negotiations with the United States the end sought is to get the Soviets to pay out money. In both instances what the Chinese call "face" is a very important element. In the case of the C. E. R. the Soviets realized that they were holding on to a red-hot iron which instead of getting cooler as time went on was bound to get hotter. The main problem was to let go with as much of a show of dignity as possible. In the case of the debts due to the United States, the American government, after having for all these years since the war proudly insisted that these old debts must be paid, can hardly maintain its dignity and write them off with a mere stroke of the pen. Yet in the end the indications are that very little real money will be paid by the Japanese to the Soviets to get possession of the C. E. R. And likewise, no matter whether there will be a successful termination eventually to the negotiations between the Soviets and the United States which it was recently announced are to be resumed in Washington—there is little possibility that the Soviets will really pay anything substantial to the United States. In both instances the main settlement will take the form of exchanges of goods. In the former case the Japanese will probably supply manufactured goods to the Soviets at practical cost; or at least at very little profit. In the latter case the Soviets will probably take American manufacturers at prices considerably higher than current world market prices, with payment shoved off into the next decade. There will be an appearance of settlement in both instances, but it will probably work out in the end that if the accounts were balanced according to usual auditing methods it will be the case that in reality the Japanese will have only paid a very small proportion of the amount that they were supposed to pay for the C. E. R., and that the Soviets will have paid only an infinitesimal amount of the huge sums that at present stand to their debit in favor of the United States. The important thing in both instances is to reach some sort of settlement so as to get these outstanding problems out of the way and pave the way for more cordial relations in the future. That has now been accomplished as between Japan and the Soviets. Whether the United States and the Soviets will arrive at a similiar happy conclusion remains to be seen.

The story of the Chinese Eastern railway has been told so often that there would be no point in going over it once more here, the more so that it will now cease absolutely to be the C. E. R.—the Japanese having several months ago renamed it the North Manchurian Railway, which it will now become in actuality. The C. E. R. originally ran down to Port Arthur (now Ryojun) and to Dalny (now Dairen), the whole line being built on the broad Russian gauge. Immediately upon the Japanese getting hold of the line as far as Changchun, they changed the gauge to the world standard of 4 feet 8½ inches, and equipped it on American lines. It is quite probable that they

will now also change the gauge, at least between Harbin and Changchun, to the same international gauge.

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Thus comes to an end Russia's imperialistic adventure in Chiia. The trans-Siberian railway was a grand conception, and was acclaimed by the world at large. The building of the short cut across Manchuria between Manchuli on the West and Pogranitchnaya on the east was likewise the logical thing to do, as it cut the time to Vladivostock by about two days as compared with the winding route along the Amur in Russian territory. Where the Russians made the mistake was in building the line south to Port Arthur and attempting to establish themselves there. That was a particularly sore spot for the Japanese as they had been put out of there by Russia, with the assistance of France and Germany. The Japanese had their revenge in the Russo-Japanese war. Incidentally it is not to be forgotten that American policy in the Far East in past years included a sympathetic attitude toward keeping the C. E. R. in joint Russian and Chinese hands—at least toward keeping it out of Japanese hands. This deal which is now being made by the Japanese with the Soviets to take over the C. E. R. also means a triumph for Japan *vis-a-vis* the United States, for it cannot be too often repeated that "Manchukuo" is merely a camouflage for Japan.

Chinese newspapers point out that both Japan and Russia have entirely ignored China—the party most concerned—in their negotiations, and advices from Nanking indicate that the National Government may enter a protest to both Governments.

The Forthcoming Plebiscite in the Saar and Its Possible Effect on Far Eastern Affairs

GEOGRAPHICALLY, the Saar is quite some distance from the Far East, but politically it is closer than Siam or some other Oriental area that is outside the swift, churning stream of current Euro-Asiatic events, —for what happens in the Saar in the near future will profoundly and directly affect both France and Germany, and through them the Soviet Union and thus the Far East; while the impending change in the European balance of power will have indirect repercussions on both Nanking and Tokyo.

The Saar, it will be recalled, was a part of Germany that under the Treaty of Versailles has been governed by the League of Nations since the World War, with France exploiting its coal and other resources as recompense for destruction of her mines by German armies. The region is one of the most highly industrialized areas of the earth. It also has a high cultural status, with the population being almost 100% literate and well supplied with relatively free newspapers which recount with fair accuracy what is going on in the world, particularly in Germany.

In January, 1935, the people of the Saar are scheduled to vote on their future political status. The ballot will be under the auspices of the League of Nations, and it may be assumed that it will be largely secret and free. The voters will have the choice of electing to retain their present form of government, that is, under the League of Nations; or, to return to Germany; or, to become a part of France. Since virtually all the population is German, it had been regarded as certain that the vote would be overwhelmingly for return to the Fatherland. Today, however, such a result is no longer so sure. The reason is, that Germany is now under a Nazi dictatorship.

The merits or demerits of the Nazi dictatorship need not be discussed here, but there are many persons ranging from Communists to Catholics, and including socialists, conservative democrats, liberals, and Jews, who are violently opposed to it, and who put their political, or religious, or racial convictions higher than their German nationality. All of these groups are well represented in the Saar population. In fact, 70% of the Saar is Catholic; and while there is no inherent contradiction between Catholicism and Fascism (as shown in Italy), the Nazi Fascists wish to incorporate the Church of Rome into a National German Church which would also include the followers of Luther and the atavistic admirers of the ancient Woden. This, of course, is almost as bad as Bolshevism to a devout Catholic.

It had been thought that for the sake of the Saar, if for no other reason, Hitler would make peace with the Pope, but only within this month there has been further propaganda for a German National Church, and it is doubtful if anything could be done in the near future to overcome Catholic distrust of the Nazi regime. Besides, many Catholics as individuals hold political ideas that are widely at variance with those of Hitler, so unless something unexpected should take place to cause the Saar Catholics to be instructed to vote as a unit for him, vast numbers of them may be expected to join with the Jews, Communists, socialists and non-religious liberals to retain their present political status, or perhaps even to become French.

If so, what will be the result? Obviously, it will be a severe defeat for Hitler. Hitler's rise to power was predicated principally upon three promises: to restore the Fatherland to her pre-war place in the sun; to curb capitalism sufficiently to improve the lot of the proletariat; and to aid the peasantry, which could only be done at the expense of the large landholders. It was impossible from the beginning to carry out the second promise, since Hitler's victory was made possible only by the industrialists (excepting the

Jews), and the power of the Junkers has prevented the third promise from being fulfilled. The first promise has been carried out only to the extent of increasing intensification of re-arming in defiance of the Treaty of Versailles. One severe setback has been recorded in seeking a restoration of German-Austrian unity. Further, the rise of Hitler has resulted in the formation of a virtual anti-German alliance of France and the Soviet Union which was recently consummated with the admission of the USSR to the League of Nations. Meanwhile, all reports indicate that economic conditions in Germany are growing steadily worse. And, it now appears highly probable that Germany will lose the Saar that she undoubtedly would have won had not Hitler obtained power, —a development that will be painfully obvious to millions of Germans within Germany despite strict control of the press.

No predictions can be made with certainty, but there are several possibilities in the situation. One is a Nazi "putsch" in the Saar, perhaps, as recently predicted by Max Braun, an anti-Nazi leader in the region, in advance of the election. This might well mean war. In the event the plebiscite is held as scheduled and Hitler is defeated, it might result in his overthrow,—not, most likely, by any mass revolution, but by the army elements which have tremendously increased their power since the curbing of his Storm Troopers. The Communists do still have an organization in Germany of undetermined potency, and their press agents have recently been fervently predicting the early overthrow of Hitler by a Red uprising, but there is no evidence that, at least for the present, the Red forces could command any important quantity of the lethal instruments of power. However, a purely military dictatorship (with or without a king) would be far less efficient than Fascism in eradicating radicalism, or in preventing its growth. Czarist Russia was an excellent example of this fact, as also was Hohenzollern Germany in its latter days.

Of course, it is possible that the Nazis, by tactics in which they seem quite adept, might succeed in winning the Saar on election day,—and if they do, that would not only strengthen Germany as a nation, but would also greatly enhance the prestige of the Hitler regime.

Whatever the outcome of the Saar situation, there will be a qualitative change in the European balance of power,—and that is the chief point of interest to the Far East. If Germany should win, France and the Soviet Union will probably be drawn still closer together for preservation of the remaining *status quo*,—and perhaps Germany and Japan might be drawn closer together as logical allies against that *status quo*. If Germany loses and Hitler survives the blow, the European tension will be increased in expectation of some quick, and perhaps desperate, counter-move on his part to bolster up his regime. If Hilter should be ousted—presumably by the German army—there would likely be a new deal all around, but just what would not be apparent until a new regime in the reich got under way. It would not appear likely, however, that Germany could undergo another change of regime without considerable loss of national strength.

The surest factor in the situation is that European preoccupation with purely European affairs will be increased rather than diminished. In one way, this will give Japan a freer hand in the Far East; in another way, the USSR will be strengthened vis-a-vis Japan insofar as Moscow retains all the advantages she has won in the West by a long series of diplomatic deals that were crowned with admission to the League. Since, however, the USSR is not attempting to play any direct role in China, she may be expected to use her position only to defend her eastern frontier against Japan; hence, Tokyo will be as free in China as the western European nations, including Great Britain, and the United States will permit. And there is no indication the United States intends to do more than defend her own west coast and present Pacific possession against Nippon.

How Japan is already taking advantage of situation to consolidate her present Oriental hegemony, and increase it, is viewed interestingly in Moscow, according to a dispatch of August 5 from that capital to the *New York Times* by Walter Duranty. He was writing in advance of the Sino-Japanese conference in Dairen, which has since been held without any trustworthy public announcement of its results, but there is still nothing to invalidate the essence of his speculations.

> "It is believed here (Moscow)," he says "that Japan, relying on vassal or venal Chinese generals in Peiping and Northern China and on Chiang Kai-shek's desire to consolidate his country at any price, will offer China a 'gentlemen's agreement' in order to cut the ground from under the Western powers.
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> "This agreement, it is believed, would include a customs union and 'a policy of mutual interests' among Japan, China and Manchukuo, which of course would involve recognition by China of Manchukuo's administrative autonomy. Presumably it would further give Japan the right to 'examine and control,' which would be tantamount to vetoing any financial or military aid that might be offered to China by another power. In return Japan would give economic and military aid in consolidating China against 'Communists and other elements of disorder.' In Soviet opinion, Chiang Kai-shek might as well swallow the bait."

All of which, if it eventuates, will be in part a result of a vote in the Saar on a land which neither now, nor in the predictable future, has any prospect of ever holding a plebiscite on its own destiny. W. B.

Sarcastic Comment on Soviet's Entry Into League

(Editorial in the Osaka Mainichi, Sept. 21)

Soviet Russia, born a black sheep in the family of nations and having acted in the manner of a typical spoiled child, in total disregard to international usage and customs, has apparently decided, so it would seem, to modify its former attitude and has seized an opportunity in the prevailing European political situation to take a first step toward acting like an ordinary decent person. This decision would also imply more or less of a change in communistic politics.

Sino-Japanese Negotiations Soon to Be Resumed; Nanking Forces Advancing on "Red Capital"

Hight Lights in the Events of the Week:

1. **Japanese Officials Hold Important Conference at Tientsin**
2. **Government Troops Converge on Juikin, "Red Capital"**
3. **Nanking Honors Memory of the Late Dalai Lama**
4. **Canton Contracts Huge Foreign Loan to Finance Reconstruction**
5. **Fifth National Party Congress Will Be Held on Scheduled Time**

An important conference of Japanese officials was held at the Japanese Consulate in Tientsin in the night of Sept. 21, at which Col. Shibayama, the Japanese military attache, made a report on his discussions with General Huang Fu in regard to the readjustment of the Luantung situation. Following the report, the meeting proceeded to discuss the Yutien incident, in which a Japanese merchant by the name of Miyakoshi was killed by mistake by a member of the Chinese militia there. The meeting decided to make further representations to the Hopei authorities and urge them to apprehend the culprit. Finally, a prolonged discussion took place in connection with the affairs in the Luantung district, but what decisions were reached could not be ascertained. It is understood that the meeting was also attended by representatives of the Kuantung Army Headquarters.

Following the return of General Huang Fu to Peiping, the situation in the Luantung area is becoming gradually stabilized. It is expected that negotiations between the Chinese and Japanese authorities will be reopened sometime next week on the basis of the principles agreed upon at the recent Dairen conference. The venue of the meeting has not been definitely decided, but it is believed that it will be held at Peiping instead of Tientsin. It is understood that Ying Tung, Managing Director of the Peiping-Liaoning Railway, will be the chief delegate at the coming conference on the Chinese side, while Col. Shibayama will represent the Japanese Kuantung Army Headquarters. The first problems to seek settlement, it is further understood, are the retrocession of Malanyu and the reorganization of the present police force in the Luantung district.

Interviewed at Peiping Sept. 24, Col. Shibayama stated that his visit to Tientsin last Saturday was in connection with the Yutien Incident and he expressed the opinion that the Incident will be satisfactorily settled, as the Chinese authorities are taking steps to apprehend the responsible party. The Japanese official announced that he is seeking another interview with General Huang Fu and soliciting his views on the question of settlement of the Luantung issues.

The preliminary discussions between the Chinese officials and representatives of the Japanese Kuantung Army Headquarters at Peitaiho during the past few days for the resumption of negotiations for the setlement of the outstanding Sino-Japanese issues in North China came to an end Sept. 24. The Japanese representatives have already left there for Shanhaikuan on their way back to Dairen, while Ying Tung, the Chineee delegate, is returning to Peiping.

According to information from Japanese sources, Mr. Ying may be appointed Mayor of the Tientsin Municipality. The information alleges that Wang Tao, the incumbent Mayor of Tientsin, will be promoted Commissioner for Civil Affair sof the Hopei Provincial Government to succeed Mr. Wei Chan, who is said to be retiring. The report can not be confirmed in official circles.

In order to readjust the affairs in the Luantung War Zone and in North China in general, the Peiping authorities are reported to have decided to create a War Zone Affairs Readjustment Commission. It is expected that after the formation of the Commission, negotiations will be immediately re-opened with the Japanese authorities for the settlement of the outstanding Sino-Japanese issues in North China.

The Peiping Political Affairs Readjustment Commission is reported to have decided to hold a plenary session of its entire membership on October 6. Notification of the session have been issued to General Hsueeh-chung, Chairman of Hopei; General Sung Cheh-yuan, Chairman of Chahar; Generals Hsu Yung-chang, Fu Tso-yi and Han Fu-chu, Chairmen of the Shensi, Suiyuan and Shantung provinces respectively requesting them to Peiping to attend the session.

General Yu Hsueh-chung is planning to make a tour of inspection to the various cities in the Luantung Demilitarized Zone. It is understood that he will first visit Tangshan, where he will carry out measures to thoroughly reorganize the police force in order to afford better protection to the people in the War Zone.

According to Tientsin police intelligence reports, the notorious bandit-leader, Liu Kwei-tang, has secretly arrived at Tientsin and is now staying at the Japanese Concession there. Liu is understood to have come to Tientsin from Dairen, where he is said to have completed arrangements for a consignment of munitions. On Sept. 18, Liu called a meeting of his followers at his house, at which a representative of Shih Yu-shan was also present. While what was discussed at the conclave can not be ascertained, it is believed that Liu and his cohorts are plotting to create fresh disturbances in the Luantung Area.

A Japanese vessel has arrived at Tangku from Chinwangtao fully laden with military supplies. The Winter supplies for the Japanese garrisons at the various Passes along the Great Wall have arrived from Chichow and Chengteh and there is every indication that the Japanese troops will pass the next Winter at their present stations.

The Japanese are taking a keen interest in making investigation tours in Suiyuan. A so-called Mongolian Expedition composed of Japanese and Chinese is now somewhere in western Mongolia investigating that region. At thee same time a Buddhist mission composed of 20 Japanese priests has arrived in Mongolia and they have joined several Lama monasteries in Mongolia. Immediately fater the establishment of a Japanese military attache's office at Kalgan, a wireless station was established in the Hsilinkuleh Banner in northern Chahar to communicate with Kalgan. The establishment of the said office has brought more Japanese visitors to Kalgan.

The Japanese military authorities are reported to have recently organized a special service corps for North China. The corps is divided into four groups to spy conditions along the Peiping-Hankow, the Peiping-Suiyuan, the Tientsin-Pukow and the Kiaochow-Tsinan Railway Lines. Each group is to have from 60 to 70 members.

Jehol City, the capital of Jehol, has been made the Japanese military base north of the Great Wall. The headquarters of the Japanese 7th Division is established there and it will have control over all Japaneee troops stationed along the Great Wall as well as the Manchukuo troops in eastern Chahar.

The Ministry of Communications has issued a denial to the reported establishment of a direct air service between Shanghai and Kobe. The Ministry pointed out that there is no necessity for such an air route and that the Ministry has never even thought of its establishment.

Suspicions have been aroused on the part of the Metropolitan Police Authorities by the continued visits of a Japanese resident in Nanking by the name of Baiji Shimizu during the weekend last week to the Ming Tombs and vicinity. The suspicion has been streengthened by the mysterious activities of the Japanese visitor, who carried with him surveying apparatus and was observed studying the topography of the area and drawing maps. Interrogated by the villagers as to the meaning of his activities, Mr. Shimizu offered an amusing explanation, saying that he admires the scenic beauty of the spot so much that he wants to paint the landscape as a suvenior. The police authorities, perceiving the difference between landscape-painting and map-drawing, are now paying close attention to the movement of this elusive Japanese resident.

Concrete measures for readjustment of the financial affairs of North China are understood to have been formulated by the Central Authorities. These provide that the Ministry of Finance shall take over all organs for the collection of national revenue in Charhar and exercise direct jurisdiction over them. Simultaneously, the Charhar Provincial Government will cease remittance of its monthly quota of $120,000 to the Peiping Branch of the Military Affairs Commission. Officials of consolidated tax organs in Shansi and Suiyuan will be appointed by the Ministry. It is understood that arrangements have been made with the provinces concerned for the enforcement of the new measures.

The second plenary meeting of the members of the Mongolian Autonomy Political Council was held at Pailingmiao Sept. 24. All the leading Mongolian members, including Princes Teh and Yun were present. Prince Yun, the Chairman of the Council, presided, while Prince Teh, leading spirit of the Mongolian Autonomy Movement, led the discussions, contents of which are unknown. The rumor that the Council might be abolished on account of lack of funds has been emphatically denied by the responsible authorities at Peiping.

A group of eight Mongols headed by Chi Wang of Hsingan Province will sail for Japan on October 1 on a good-will mission, reported a *Rengo* dispatch from Changchun Sept. 19. The party will spend five weeks in Japan and Korea, inspecting cultural institutions and military establishments. The preparations for their reception are in the hands of the Japanese Imperial Household Ministry. Chi Wang, the head of the mission is credited with having rendered invaluable aid in esttablishing the State of "Manchukuo."

Government Troops Converge on Juikin, "Red Capital"

The vanguards of the Government troops have advanced beyond Shihcheng and are now pressing on Juikin, the so-called "Red" Capital, according to information emanating from the Nanchang Military Headquarters. The Communist leaders at Juikin are said to be in a perplexed state and are making frantic efforts to stay the advance of the Government troops in order to secure sufficient time to evacuate and retreat to more remote districts in the interior.

Anticipating the early capture of Shihcheng, Juikin, Yutu and Hweichang, four districts held by the "Reds" in southern Kiangsi, the Kiangsi Provincial Government has announced the appointment of Ma Hsiang-yao, Hsiao Tailiang, Cuyang Hsin and Li Shih-huai as magistrates for the four districts. The new appointees have been ordered to go forward with the Government troops and to institute rehabilitation work immediately the cities are taken.

A call to all district magistrates "to live or perish" with the cities they rule is sounded by General Chiang Kai-shek in a stern order to various Provincial Governments. General Chiang threatens to mete out martial law punishment to those Magistrates ignoring the order or failing to hold out upon attack by bandits.

Hsiao Yeh-huei, magistrate of the Anyi City in Kiangsi, which was for several weeks in the hands of the Communists, was executed Sept. 20 at Nanchang by order of General Chiang Kai-shek for negligence of duty. Mr. Hsiao was arrested immediately after the loss of the city and he was found guilty by the court-martial at Nanchang.

Swift progress has been made by the units of the Eastern Route Bandit-suppression Forces under General Chiang Ting-wen in the drive against the "Reds" in western Fukien. Fierce fighting is reported to have occurred in the neighborhood of Changting, "Red" stronghold in western Fukien, in the past few days. The various route bandit-suppression forces have established contact with one another and are ready for a concerted general offensive as soon as orders are received.

According to a report received at Foochow Sept. 20, the newly organized 10th Division which has been entrusted by the Fukien Provincial authorities with the eradication of the bandits in north-eastern Fukien have emerged victorious over the marauders. The defeated outlaws have gone into hiding near the districts of Siapu and Fu-an, in north-eastern Fukien.

The air force in Hunan has been taken over by General Chiang Kai-shek's headquarters. Under General Chiang's orders all members of the staff of the Hunan air force as well as the pilots are leaving for Kuling shortly to be inspected by the Generalissimo. The aeroplanes will be incorporated into the Aviation Corps attached to General Chiang's headquarters.

According to an order issued by the Bandit Suppression Headquarters at Wuchang, the farmers in the districts recently recovered from the Communists are to receive all the crops which they actually produce in the first year, regardless whether they own the farms or not. Rentals on the farms will begin to be collected from the second year in accordance with regulations previously promulgated by the Headquarters.

An official communique issued by the Bandit Suppression Headquarters Sept. 19 confirmed the capture of Yuan Feng-min, a notorious "Red" leader in southern Hupeh. He is now receiving medical treatment for a wound which he received during an engagement with the Government troops on September 8, near Yanghsin. In addition to Yuan, more than 70 "Reds," including several women and a large amount of ammunition have also been captured.

General Li Tsung-jen has addressed a telegram to the National Government stating that as the Kwangsi troops are now engaged in the anti-Red suppression campaign in southern Hunan, the allowance which the Government is now giving to Kwangsi is insufficient to meet the requirementts. General Li petitions that the Government should remit extra funds to Kwangsi to meet the military expenses in that province. The Government is now giving the request its careful consideration.

General Chen Chi-tang has decided to strengthen the defencees along the Kwangtung border in view of the recent communist threats from both Fukien and Hunan. According to General Chen's order, a defence line which will start from the East River region and wind its way northward and stop in the North River region will be built immediately. The eastern line will start from Jaoping and will stretch northward to Ongyuan by passing through Tapu, Chiaolin, Meilin, Hsinning, Wuhua, Lienping and Hoping. The northern defence line will start from Ongyuan and go to the Kwangsi border, passing through the districts of Nanhsun, Jenhua, Lochang, Hsintzelin and Lienhsien. When the new lines are completed Kwangtung will be protected from the east, north and the west.

General Liu Hsiang arrived at Kaikiang on Sept. 14 to resume command of the troops on the northern front. There is no change in the military situation as very little fighting has taken place during the past several days. Although the Reds are making occasional attacks the provincial forces have no difficulty in repulsing them. Yilung, which city the provincial forces recaptured from the hands of the Reds several months ago, has again become a military centre and barricadss have been built around tht city to ward off possible attacks by the Reds. The Szechuen autthorities have sent urgent telegrams to General Chiang Kai-shek requesting that the two Government divisions now stationed in Shensi should be sent to Szechuen to assist the provincial troops in driving out the Reds from their present positions.

In view of the recent depreciation in Szechuen currency and the continued outflow of hard cash from the province as a reslt of the unfavorable military situation, General Chiang Kai-shek has issued a strict order to General Liu Hsiang prohibiting further monetary remittance from Szechuen to other provinces. General Chiang orders that all such remittances shall be confiscated bv the authoities in order to avert an economic crisis in Szechuen.

A petition has been submitted to the Southwest Political Council bv Kweichow residents of Canton urging that the Council immediately order the Kwangtung, Kwangsi, and Hunan authorities to despatch troops to Kweichow to open a ioint campaign against the communisss who are invading the province. The Council is also asked to supply the Kweichow officials with arm and ammunition in order to put up an effective resistance against the invaders.

The communist band under Ho Lung, which was driven out from Kweichow sometime ago, has staged a comeback and is now active in northern Kweichow. General Wang Chia-lieh, Chairman of Kweichow, has telegraphed to the Szechuen provincial authorities soliciting their co-operation in the suppression of the Reds in Kweichow.

Fifteen military prisoners and 29 alleged communists, including six women arrived at Nanking from Shanghai Sept. 17 under military escort. About half of the communist suspects are young students, and it is understood that they will shortly be tried by a military tribunal.

Nanking Honors Memory of the Late Dalai Lama

The National Flag flew at half-cast over all Government buildings at Nanking September 23 in silent tribute to the late Dalai Lama, "temporal ruler" of Tibet, for whom an official memorial service was held at Lhassa, capital of Tibet, General Huang Mu-sung, Special Commissioner to Tibet, participated. In the course of the service, a message reports, General Huang officially conferred on the late Dalai Lama the posthumous title of Hu-Kuo-Kuang-Hui-Yuan-Chiao-Ta Shih (the Great Wise Priest who defended the nation and showered benevolence,) on behalf of the Central Government. General Huang in a telegram to the Government states that he will leave Lhassa next month on his journey back to China.

The religious title of "Pu Ching Fa Shih" was conferred upon the Anchin Lama, representative from Tibet, by the National Government at a ceremony held at its reception hall September 24. Lin Sen, Chairman of the National Government, officiated at the ceremony and personally conferred the title on the Tibetan dignitary.

The Anchin Lama is leaving for Shanghai on October 1 from where he will proceed to Tibet by steamer on October 9.

It is reported that fresh difficulties have arisen in Sinkiang as a result of the serious differences between General Sheng Shih-tsai, Border Defense Commissioner of Sinkiang and Liu Wen-lung, Chairman of the Sinkiang Provincial Government. The report alleges that Mr. Liu has been deprived of his liberties and placed under surveillance by General Sheng because of his criticism of the latters policies and administrative measures in Sinkiang. Mr. Lu has tendered his resignation and General Li Yung has been appointed Acting Chairman of Sinkiang.

Peng Chao-hsien, Provincial Commissioner of Civil Affairs for Sinkiang, returned to Nanking from Kuling September 20 after reporting on the Sinkiang situation to General Chiang Kai-shek. Notwithstanding the insistence of General Chiang, Mr. Peng is determined to relinquish his incumbent post.

The Ministry of Railways is drawing up plans for the construction of two new railways in the North-west, one between Sianfu and Lanchow and the other between Paochi in Shensi and Chengtu in Szechuen. Survey work will be started shortly and in order to speed up the work aeroplanes will be used to make the survey, it is learned.

According to officials of the Eurasia Aviation Company, the Company is drawing up plans for the extension of the Lanchow-Ninghsia line to Paotouchen in Suiyuan. Although the Company is bearing enormous loss in maintaining this line, it will be continued in consideration of its importance in the development of the North-west.

The Kansu Provincial Wollen Factory which has been closed for many years will be re-opened shortly. Repair to the old machines and installation of new ones having been completed, the factory is expected to resume operation on the first of the next month. A test of the new machines was made day before yesterday and the result was found very satisfactory.

In order to forster better communications in the province, the Shensi Provincial Government has decided to install telephones in 36 additional districts. The service is already in operation in 56 districts. A sum of $100,000 will be appropriated for the purchase of telephone equipment.

Canton Contract Huge Foreign Loan to Finance Reconstruction

For the purpose of realizing its three-year reconstruction plan the Kwangtung Provincial Government has decided to borrow $26,000,000 from foreign countries for the establishment of several factories in the province. So far $20,000,000 loan has already been contracted with several countries, notably, Swizerland, France, Germany and the United States.

In view of the reported decision of the Kwangtung Provincial Government to impose a special tax on imported goods from other Chinese provinces, the Ministry of Finance has sent a telegram to Canton asking the provincial authorities to reconsider their decision in consideration of the welfare of the merchants.

The Canton Chamber of Commerce held a meeting a request made by the various business organizations in September 20 to discuss measures for coping with the situation arising not of the Government's alleged intention to establish a customs office at Kowloon. It is understood that the Chamber is definitely opposed to its establishment and it will soon issue a statement voicing its views.

In view of the large deficit in the budget of the Kwangtung Provincial Government for the current fiscal year (July, 1935—June 30, 1935,) General Chen Chi-tang has issued a circular order to the different organs urging the enforcement of a strict retrenchment policy. The monthly administrative expenses of the Southwestern Political Affairs Committee alone have been reduced from $60,000 to $20,000.

The recent circular telegram issued by the C. E. C. members in Canton outlining their viewpoints towards the Fifth National Party Congress at Nanking has received support from several other C. E. C. members unfriendly to the Nanking Government. They are Generals Hsiung Keh-wu, Chang Ting-fan, Ho Shih-chen, Chen Chung-fu, Liu Lu-ying, Kwei Chung-chi and Sun Ching-ya. These members have telegraphed to Canton asking that their names be put on the list of C. E. C. members who counter-sign the Canton proposal.

The Kwangtung Provincial Department of Reconstruction recently drew up a plan for the promotion of home industry, the important points of which are as follows:

1. To give encouragement, protection and supervision for those who undertake industrial enterprises.
2. To investigate conditions of production in various districts, and to make them public.
3. To investigate conditions of supply and demand and to make them public.
4. To draw up plans for those wishing to undertake industrial enterprises with home capital.
5. To introduce experts to those in industrial enterprises.
6. To assist those who wish to purchase foreign machinery and raw materials.
7. To impose a protective tax or dumping tax or to take other measures to prevent competition by foreign merchants, if necessary.
8. To prohibit the establishment of new factories, and at the same time to check over production when the supply is greater than the demand, with a view to protecting factories already established.
9. To give privileges to those whose enterprises are being run with Chinese capital.
10. To provide relief for the jobless by instructing domestic factories to employ them first.

The new Canton-Kowloon Railway Agreement which was signed between the Chinese and British authorities several weeks ago was formally published September 24. The new agreement consists of 48 articles and three annexes. The pact, which is to come into effect on October 1, will be in force for five years.

Fifth National Party Congress Will Be Held on Scheuled Time

The 5th National Congress of Kuomintang Delegates will be convened on the scheduled date, November 12, and will under no circumstances be again postponed, declared Wang Ching-wei, President of the Executive Yuan, in a press interview in Shanghai September 21. Mr. Wang called on T. V. Soong, leading member of the National Economic Council, in the morning of the said day and had a lengthy discussion with him in connection with affairs of the Council. As a result of their conversation, it is understood, a meeting of the Standing Committee of the Council will be convened at Nanking next week.

Presidents Wang Ching-wei and Sun Fo, of the Executive and Legislative Yuans respectively, returned to Nanking from a visit to General Chiang Kai-shek at Kuling on the giant Junkers airplane of the Eurasia Aviation Corporation in the afternoon of September 20. Interviewed at the Aerodrome near the Ming Palace, President Wang said that he

was proceeding to Shanghai for treatment of his diabetes, which is again giving him trouble. While at Kuling, he said, President Sun Fo and himself had an interview with General Chang, who has recovered from his recent illness. They also addressed the military officers training alass at Haihuissu.

Reporting on the latest developments in the international situation at the Weekly Memorial Service of the National Government in the morning of September 24 Dr. H. H. Kung, vice-President of the Executive Yuan and Minister of Finance, pointed out that the most important event in international politics recently is undoubtedly the admission of Soviet Russia into the League of Nations, which event, he said, is worth of our serious thought and should serve as a lesson to China. Some years ago, Dr. Kung stated, Russia was being hated by many countries who feared of its policy to Bolshevize the world. But despite a hostile world, the Soviet authorities vigorously addressed themselves to the task of internal reform and reconstruction and within the space of a few years, she has now risen to a country of world importance and won the respect of all nations, friends or enemies. What Russia has achieved in this respect is worthy of our emulation, he said. The invitation to Russia by the League of Nations to join its organization is the best testimony of the truth of the saying that one must respect oneself before one can win respect from others. In view of this saying, Dr. Kung exhorted that the people of China should exert themselves in the work of national salvation and reconstruction.

Referring to the failure of China to win re-election to the League Council, Dr. Kung said that the failure, though disappointing, is however no material loss to China. The loss, as Minister Quo Tai-chi has pointed out, is instead the League of Nations'. But this failure should serve as a stimulus to China to exert herself in achieving internal reform and building up herself into a strong country, if she is to win the respect of other countries.

The new draft Constitution is now being discussed and revised article by article by the Legislative Yuan. According to an official of the Yuan, final revision of the entire decument will take at least four weeks to complete, at the end of which it will be officially passed by the Yuan and forwarded to the Central Political Council for submission to the forthcoming 5th National Congress of Kuomintang Delegates for consideration and action.

Sun Fo conferred with Dr. Wang Chung-hui, judge at the Hague Court of International Justice, September 23 when the two leaders drafted an important proposal embodying the noted jurist's opinions on the draft permanent constitution of China. The proposal deals particularly with the chapters on the People's Conference and the Central Political Organization.

General Chiang Kai-shek has issued an order studly prohibiting government officials from indulging in gambling. The Generalissimo orders that any government employee found gambling is to be sentenced to six months imprisonment.

The petition in regard to the registration of foreign factories in China, submitted by National Chamber of Commerce, has been ratified by the Ministry of Industry recently. The important points of the petition can be summed up as follows: 1. That the National Government should as soon as possible proclaim a special rule to regulate the registration of the foreign factories in China. Factories established here should pay taxes to the Government. 2. That the measures to encourage the use of native goods should be strictly enforced, 3. That the immigration of foreign laborers should be prohibited.

Determined to put an end to the activities of profiteers who take advantage of the food situation to line their purses, General Chiang Kai-shek has ordered the Nanking Municipal Government to take drastic steps to prevent unscrupulous merchants from hoarding or raising the price of rice. This measure is deemed important in order to better regulate the food supply and maintain public peace and order in the Capital.

A new water-pump has been invented by Chiang Tso-hsin and registered with the Ministry of Industry. The new engine is now on exhibition at the Central Party Headquarters. It is learnt that with the financial assistance of Niu Yung-chien, Vice-President of the Examination Yuan, a factory will be established for its manfacture in order to supply the requirements of those engaged in anti-drought work.

For the purpose of introducing reforms into the currency system in the country a Currency Reform Committee has been organized by the Ministry of Finance The committee is composed of more than 20 members, the leading bankers and financial experts. Chen Chin-tao, former Minister of Finance of the Peking Government, has been named chairman of the coimmttee.

The Nanking Municipal Government has decided to appropriate a sum of $60,000 for the construction of a new commercial area in Hsiakwan.

In order to liquidate its accumulated obligations and develop the shipping industry of the country, the management of the China Merchants Steamship Navigation Company has submitted a petition through the Ministry of Communications to the National Government, requesting the appropriation of a sum of $30,000,000 as the State capital of the Company. The petition points that the obligations of the Company have accumulated to so large an amount that whatever profits the Company can make are hardly sufficient to pay the interests on them. As an urgent measure of relief, the petition suggests that a public loan to the amount of $20,000,000 be floated partly to clear its old debts and partly to finance expansion scheimes. The Company made a net profit of $1,000,000 last year which was entirely devoted to payment of interests on the loans owed by the Company.

The total paper production in Chekiang province last year is valued at $20,850,478, states a report of the Chekiang Provincial Government. The net profit amounted to $3,624,170. Of the total amount of paper produced, 29 per cent was consumed for religious and superstitious purposes, 23 per cent for writing, 20 per cent for wrapping and packing, and 28 per cent for other uses. Paper was manufactured last year in over 40 districts. There were 24,437 paper mills, with a total of 126,852 workmen. Only a few mills have steam-driven machinery.

Interviewed at Shanghai, September 24, Shu Shih-ying, Chairman of the National Famine Relief Commission, said that altogether 10 provinces have been affected by this year's drought and no less than 371 districts have suffered damage as a direct result of the dry weather, while the total amount of crops destroyed is estimated at 114,182,000 mow.

Oneness of purpose that should bind the people and government of this country into a solid whole was stressed in the present time of crisis in China by Dr. Wellington V. K. Koo, Chinese Minister to France, during a speech at a dinner given in his honor by 14 public bodies in Shanghai at the Chinese Chamber of Commerce in the night of September 23.

Three women drug smugglers were executed at Nantungchow September 19 and it is said that several others have been sentenced to similar fate. Mrs. Chiu, who had been known at Nantungchow as queen of the drugs, was one of three women executed.

New Quarters of the Chung Wai Bank Are Opened

Built at a cost of $1,200,000, the magnificent new building of the Chung Wai Bank, a leading Chinese banking institution in Shanghai, was officially opened September 28. The building is located on Avenue Edward adjacent to the former French Municipal Council premises. Occupying a space of more than a mow, it towers 15 stories into the sky and is equipped with all the modern conveniences necessary for a modern banking house. The ground floor is devoted to the bank; offices and apartments being offered on the other floors. The building took more than two years to complete.

Tu Yueh-sen, prominent Shanghai resident and financier, is the chairman of the board of directors of the Bank, while other leading members on the board are: Y. M. Chien, President of the Joint Savings Society; Chang Hsiao-ling, Managing-Director of the Lin Kee Lumber Company; Hsu Mow-tang, Compradore of the P. and O. Bank; Chin Ting-sheng, General Manager of the Chinese Government State Lottery. Fu Ping-kuei, son of Fu Siao-an, former Chairman of the Chinese General Chamber of Commerce, is the manager.

Chinese Railways

Nanking-Shanghai and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Nanking-Shanghai Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

The Curious Move of the New York Silk Exchange

BY PAUL K. WHANG (汪 仲 芳)

JAPANESE sericulturists have had the American silk manufacturers completely in their hands. This is rather a curious case, if one considers the relative positions occupied by America and Japan in this silk world. America is unquestionably the biggest silk consumer, while Japan is the premier silk producer. As a consumer, America can buy her silk requirements from whatever source she wants; while as a producer, Japan must seek the American patronage, because there is no other market big enough to absorb her large production. Thus, on the surface, America is the master of the situation; but curiously indeed, this master, instead of acting upon his own free will, has to take orders from the Japanese servants.

What I have n mind is the recent resolution passed by the National Raw Silk Exchange, Inc., of New York in regard to the question of trading Chinese and Italian silks in the Exchange. A *Reuter* dispatch from New York dated Sept. 11 had this to say, "Members of the silk group of the commodity exchange today defeated proposed amendments to the bye-laws to permit trading in Chinese and Italian silks. The defeat of the amendments is attributed chiefly to the opposition of Japanese interests.

Japanese Spread Erroneous Reports About Chinese Silk

Another report on the same subject appeared in the Chinese press stated that at a meeting of the members of the New York silk exchange on Sept. 6, the amendments to the bye-laws had been voted down by ninety members out of the total 117 present, that prior to the meeting, the Japanese silkmen, fearing that they might lose their ground in case the Chinese and Italian silks were admitted to the Exchange, had left no stone unturned in switching the American silk manufacturers to their favor by circulating erroneous reports as to the qualities of Chinese and Italian silks, and that the majority of the members of the Exchange had been under the Japanese influence.

The American silk exchange, known as the National Raw Silk Exchange, Inc., was organized in the year of 1928, and the principal office of the corporation is located in the Borough of Manhattan County and State of New York. Its purposes, to quote Article II of its Certificate of Incorporation, are "to provide, regulate and maintain an exchange and to furnish facilities to its members for the purchase and sale of raw silk and the products and by-products thereof; to establish just and equitable principles in the business carried on by and between its members; to maintain uniformity in rules, regulations and usages in the business; to acquire, throughout all markets; to decrease local risks attendant upon the business; and generally to promote and facilitate the business of buying, selling, dealing with and dealing in the above mentioned products and to create among the members facilities with which such or similar business may be conducted."

In the definition of raw silk, Section 40 of By-Laws of the said Exchange, says:

> "For the purposes of Exchange Contracts, raw silk shall be defined to be thread-reeled from cocoons and is understood to be a continuous thread from beginning to end of the skein."

In accordance with this definition, no discrimination is made against silks from other countries than Japan. But this discrimination is expressly stated in Section 41, which says:

> "The following Grades of Japanese Raw Silk, production of Japan and/or Chosen (in the standard American skein form) may be delivered against the National Raw Silk Exchange, Inc., Contract....."

This restriction has thus excluded Chinese and Italian silks from trading in the Exchange and given the Japanese silkmen an exclusive privilege in monopolizing the American silk market.

In face of this exclusion, the Chinese silkmen have on many occasion, both through official and private representations, urged the directors and members of the Exchange to amend this exclusion clause, but their efforts have not been crowned with success. Their recent defeat represents but one of the many failures they have experienced in the past six years since the establishment of the Exchange. At the time when Chinese silkmen have been enthusiastically working for the improvement of the system of marketing so as to promote the sale of Chinese silk in foreign markets, this defeat will constitute nothing less than a damper to their enthusiasm and add to their sense of disappoin-t ment that of resentment.

When the Exchange was first organized, China applied for admittance, but her application was turned down on the ground that Chinese silk was not standardized enough to make its trading feasible in the Exchange. However, she was assured that when classification was adopted in the Chinese silk trade, the Exchange would be ready to permit the trading in Chinese silk. This objection, it must be acknowledged, was based on fair and just reasons, because at that time Chinese silk was really not standardized, and the purchase and sale of silk was based rather on its chop tickets than on its qualities. True, classifications were made by several exporters, but their classifications were rather arbitrary and could not be accepted as a standard.

Since then, a new system of classification in accordance with the American standard has been introduced into the local market, and under the auspices of the Raw Silk Department of the Bureau of Testing and Inspection of Commercial Commodities, this system has been made familiar to the Chinese silkmen. Gradually the old established practice has given way to the new American method, and at present classification based on the qualitative tests becomes the only recognized practice of silk-trading in the local market. Therefore, with the change of time, the old reason of excluding Chinese silk from the Exchange can no longer hold water. Then how can the directors and members of the Exchange justify themselves in persistently turning down Chinese applications?

Exchange Absolutely Under Japanese Influence

The disappointment on the part of Chinese silkmen is especially acute, because the present defeat, according to the above quoted *Reuter* dispatch, is "attributed chiefly to the opposition of Japanese interests." It is indeed tragic to find that the directors and members of a very important commodity exchange in a great country should be completely under the Japanese influence, and act in accordance with the Japanese bidding. In view of the Japanese habitual policy of buying the support with monetary considerations, we must be excused for suspecting that the Japanese money must oil the palms of many members of the Exchange. This Japanese victory is tantamount to a defeat to Chinese and Italian aspirations and hopes; but this defeat is nothing in comparing with the loss of prestige of the National Raw Silk Exchange, Inc., as a result of the shortsightedness and self-centeredness on the part of many of its members.

In speaking af America, we will invariably turn our thoughts to her proverbial friendship with China. Acknowledgement must be made of the fact that during the past two decades the American silk manufacturers have contributed much to the improvement of the qualities of Chinese silk. They have sent missions to China to talk with Chinese silkmen face to face about their requirements; they have donated either money or equipments to the Chinese sericultural schools; and they have once co-operated with Chinese silkmen in establishing a testing house to demonstrate the uses of modern machinery and equipments. What they have done for China's silk industry has, of course won deep gratitude from Chinese silkmen.

Profitting by American initiative and assistance, the Chinese silkmen have made steady progress in the improvement of the qualities of their products. But when it comes to Chinese silkmen seeking a share of the American market, the American silk manufacturers have persistently closed their doors upon them. One naturally wonders why the America silk manufacturers should take such pains to improve the qualities of Chinese silk and evince such a great interest in the future of China's silk industry, when they continuously exclude Chinese silk from the Exchange. America herself is not a silk-producer, and she must secure her silk supply from other countries. Her annual consumption is estimated to be about 600,000 catties. The export of silk from China in the past two years averaged less than 30,000 catties per annum. Therefore, America can easily absorb China's small export which amounts to only one-twentieths of her annual consumption.

This inconsistency on the part of the American silk manufacturers is nothing short of an enigma to the Chinese silkmen. Suffice it to say that Chinese silkmen, encouraged by the past American friendship and assistance, have pinned a great hope on the American market. To make it clear, Chinese silkmen have no mind whatsoever to ask for charity from their American silk friends; but what they have always claimed is but a share of the American trade and also a fair chance to compete with the Japanese in the American silk market. If friendship is anything, this claim should be long supported by the American silk interests. But what can friendship help, when the American silk manufacturers are now living under the mercy of Japanese silk interests?

Shanghai, September 24, 1934.

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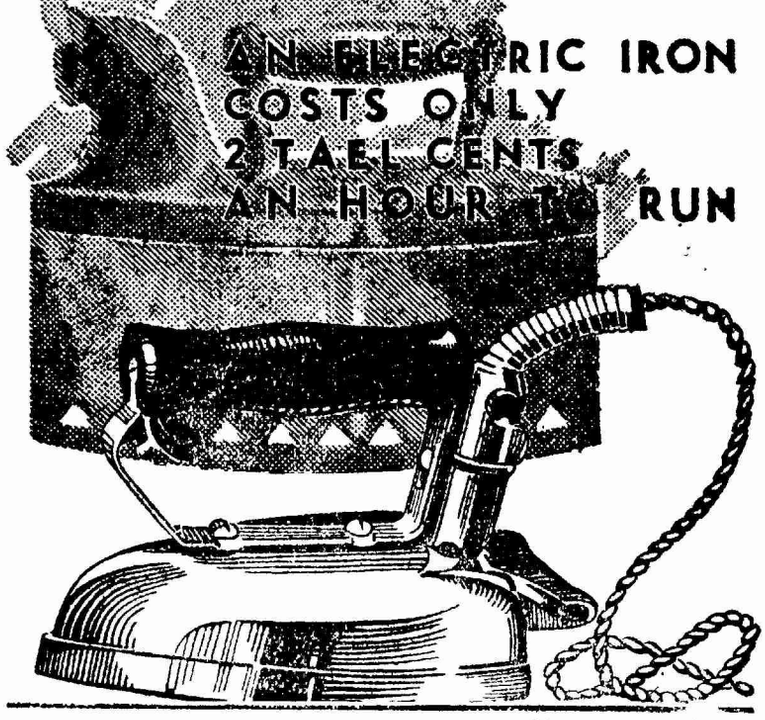

Shanghai Power Company

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"China Times" Urges Factory Control in Settlement

(An Editorial in the China Times, prominent Shanghai Chinese daily)

The question of factory control in the International Settlement and the French Concession in Shanghai was much discussed some time ago but it has been dropped for some months. According to latest statistics, there were 178 accidents in factories in Shanghai during the month of August alone.

The matter of factory control in Shanghai was brought up at recent International Labor Conference but no definite decision was reached in that connection. Several months ago there was much talk about direct negotiations between the Chinese authorities and the Shanghai Municipal Council regarding the question of factory control but so far no substantial result has been reached. In fact, no formal negotiations have yet begun.

Meantime, accidents in factories are occurring one after another and the responsible authorities are not thinking of any effective way to remedy the situation.

There are many reasons why the foreign Settlement authorities are opposed to the Chinese Government exercising control over factories in the foreign Settlement, but the main point is that the Settlement authorities are unwilling to permit the Chinese Government to have any kind of control in the Settlement.

At present administrative power in the Shanghai Settlement is completely in the hands of foreigners and they do not want to see their rights impaired. They are afraid that if they give way in this particular point it might set a precedent for demanding other rights by the Chinese Government in Shanghai. They want to uphold their position in spite of the welfare of the workers and the factory owners.

Another point is that the foreigners in Shanghai are still desirous of maintaining their dominating economic influence in this region. Foreign factories in China are mainly concentrated in Shanghai. With their huge capital these factories have been able to control the raw material market in the interior. At the same time they are employing cheap Chinese labor to turn out goods which they sell on the Chinese market at a profitable price. They can send these products to the interior without paying any import duty.

Chinese workers in these foreign factories are working day and night and are not paid as they should be in consideration of their long working hours. If the Chinese Government should exercise factory control in the Shanghai Settlement these foreign owned factories are to be the main sufferers. They have to improve their treatment of their workers and the wages must be raised and the working hours must be reduced.

Naturally, the foreigners will not give up their profits in this way if they can help it. This accounts for the opposition on the part of the Shanghai Municipal Council to the proposed factory control by the Chinese Government.

There are hundreds of small Chinese factories in the Settlement. If the Chinese authorities are permitted to inquire into the welfare of these factories, improvement would naturally be introduced in administration and equipment. These factories might some day become keen competitors of the foreign-owned factories. Naturally this is disliked by the foreigners and the best thing for them to do is to prevent the Chinese authorities from acquiring the right to exercise control over these Chinese factories in the Settlement.

The interests of Chinese and foreign factories are conflicting. If the foreign factory owners want to preserve their own interests, they must do something to retard the progress of their Chinese competitors.

At the present moment the International Settlement authorities are imposing all sorts of restrictions on Chinese factories. Under various pretenses these factories are often fined and even suspended by order of the Municipal Council. So if we want to protect the interests of Chinese factories in the Settlement the Chinese Government should do everything possible to secure the right of factory control from the Shanghai Municipal Council. It is no use for the Government to talk about protecting home industries or economic revival of the nation when it is unable to protect the existing Chinese factories in the Shanghai Settlement.

Public Library of the City of Greater Shanghai

BY CHIH-BER KWEI, PH.D.
Director, National Central University Library, Nanking

A new page was added to the annals of the Chinese Library Movement, when the City of Greater Shanghai under the efficient administration of Mayor Wu Te-chen, issued a 7 per cent loan of $3,500,000 Chinese currency last July. The money is to be used for the construction of a public library, a museum, an athletic stadium and other civic improvements; and the loan will be secured upon the revenue of the City government to be derived from the issuance of licenses to the owners of motor-cars, motor-trucks, motor-cycles, and bicycles.

One-half hour after the subscription books were opened on July 17, the entire loan was over-subscribed ten times. Such tremendous over-subscription does not merely indicate the confidence in the government and the Municipality of Greater Shanghai, but also shows the urgent importance of a modern and up-to-date library.

The need for a systematic collection and organization of recorded knowledge from all parts of the world in a community such as Shanghai would appear to require little in the way of justification. According to library statistics, published by the Ministry of Education in 1930, there are 2,935 libraries in China, including newspaper rooms, school libraries, popular libraries, public libraries, college libraries, university libraries, special libraries and other technical libraries. But for the City of Greater Shanghai, there are only ninety three. If the entire Chinese population is figured on the four hundred million basis, there is one library to every 136,000 persons; again, if the population of Shanghai is approximately three million, then there is one library to every 32,000 persons.

Lack of Educational Facilities

Such a picture points out obviously the lack of educational facilities in China as a whole, and in Shanghai in particular. In fact, there is no adequate public library in the modern sense which is established and supported by the municipality. The one which we usually know is the one founded in 1849 by a small group of people in the International Settlement, and then turned over to the Municipal Council of the Settlement in 1912. The collection is generally confined to books published in English, and the services are restricted to a very small area.

In several of the leading nations of the world, the legal provisions whereby municipalities are authorized to establish and maintain public libraries vary from brief statements conferring this authority, without prescribing the method which shall or may be followed, and sometimes without limiting the amount of money which may be spent for the library from public funds, to laws which make very specific provision concerning method of establishment, financial support, and administrative control. For example, in the laws of the various states of the United States of America, there are five different methods of establishment. (1) *Establishing by governing body :*—This method is prescribed by law in some states, such as Texas, Virginia, for all municipalities in which library establishment is authorized, and there is no provision for action by the people. (2) *Establishment made mandatory, if the governing body does not take action on its own initiative.* For instance, the establishment of public libraries in New York is authorized, either by action of the governing body or by majority vote at an election or at a meeting of the electors. The question must be submitted at an election on petition of twenty-five taxpayers. (3) *Establishment on petition.* In the State of Louisiana, the power to establish a library is vested in the governing authority of any political subdivision of the state of not more than 100,000 inhabitants after a petition has been filed by not less than twenty five citizens, provided a written protest is not filed by an equal or a greater number of citizens. (4) *Establishment on petition and election.* In North Carolina, establishment is authorized only on petition of twenty-five per cent of registered voters and a majority vote in favor. (5) *Establishment only on election.* In the State of Florida, establishment is authorized in any town, if a majority of the registered voters vote in favor.

The step which has just been taken by Mayor Wu is making a great stride in the right direction, and the library which he has in mind will naturally be intended for the whole people of Greater Shanghai. It is believed that the library should find many readers in its community, and that it shall in all cases bring books and readers together. Other facilities, such as the lending of books for home use, free access to shelves, cheerful and homelike library buildings, rooms for children, cooperation with schools, inter-library loans, longer hours of opening, more useful catalogues and lists, the extension of branch-library systems and of traveling and home libraries, coordination of work through lectures and exhibits, are the thousand and one activities that distinguish this one from its more passive predecessor. Other phases of the library, including the control and administration of the library, expenditure of its income, selection and acquisition of material, and the appointment of staff, are also going to be evolutionary, if not revolutionary. It is a matter of course that such a conception of a public library would require the hearty support under an enlightened administration, and let history tell us that the City of Greater Shanghai is not only large in population, rich in financial standing, but also unique in its public library, —a library that is a carrier of news and knowledge, a promoter of mutual understanding, and a bond between the Orient and the Occident.

An Independent Manchukuo Essential, Says Tokyo Journal

Tokyo *Jiji* comments :—"The War, Foreign and Overseas Ministries are in disagreement over the question of reform of the Japanese administrative machinery in Manchuria, and each holds steadfastly to its own views. There is much to be said for each of the plans evolved by the Ministeries. This necessitates that the whole matter be sealed in political negotiations among the heads of the Ministries concerned.

"In approaching the question of reform in Manchuria, the important thing to be constantly kept in mind is the future relationship of Japan and Manchukuo. The relations between Japan and Manchukuo are of a special nature. Under the terms of the protocol signed following establishment of the independent in Manchuria, Japan is responsible for the defense of the new State. But this is no reason for Japan to assume a position which might prove injurious to the sovereignty of Manchukuo. Any reform Japan may effect should be such as will not give rise to misunderstanding regarding its inward the new State. Any policy toward Manchukuo should be for the maintenance of the new State.

"General Tsang Erh-shou, police commissioner of Changchun, and his two sons, were kidnapped Sept. 5 by a band of eight Chinese volunteers who succeeded in entering the city of Changchun under disguise. They abducted the police commissioner and his two sons from their residence at Pei An Hutung. The daring kidnapping was kept secret by Japanese and 'Manchukuo' authorities for fear that publicity would arouse consternation and unrest among the entire population of the 'Manchukuo' capital. General Tsang Erh-shou is the younger brother of General Tsang Shih-yi. Tsang Chen, eldest son of the former, who was kidnapped together with his father and younger brother, Tsang To, is adjutant officer attached to Headquarters of the Second Army of the 'Manchukuo' government."

If You Have a Camera, Better Not Take It to Japan

The experiences in Japan of William E. Ross, a round-the-world tourist are thus related by the *Japan Chronicle :* Mr. Ross, it seems, is hoping to travel economically. Having a week to wait for his ship in Kobe, he consulted the Tourist Bureau, who made several helpful suggestions, from among which he chose for the first day Sumoto, on Awaji island. Thither he went, with a small kodak, and started looking for some interesting subjects to photograph. He had not been warned by the Tourist Bureau against photographing, and had no idea that he was within a fortified zone. Walking along the road, he came across a man dragging a large load of hay—a sight such is as not seen in America—so he photographed him. Later on, he saw a notice about not taking photographs of the fortifications in the vicinity; but, having gone some distance further, and seeing no sign of fortifications, he thought he must be beyond the range of the prohibition, and took a photograph of a bullock-cart. Then, as a bus headed for Sumoto came along, and it was getting hot, he boarded it and returned to the landing place. Here a small steamer was about to cast off, so Mr. Ross, rather rashly assuming that it was bound for Kobe, jumped aboard just as it left the pier. He soon realised that it was going the wrong way, and finding the official to whom he had to give the money for his ticket he managed to make himself understood. A map was produced, and he gathered that the boat was going to Yura, whence he could get a bus back to Sumoto. When he landed at Yura, however, a man in plain clothes came forward and took him very firmly by the arm. Completely mystified as to his intentions, Mr. Ross thought it best to submit to his attentions, and allowed himself to be led to the police station. Here all that he could make out was that the trouble had something to do with photographing, so he rolled up the film and handed it over; but as he could not understand even their most minatory speech they took him to Sumoto, where further "examination" continued till about midnight, when he was dropping with fatigue. He was at length allowed to sleep and the examination continued next day. For interpreter a school teacher was procured, who was very helpful. Things seemed to be straightened out, and he was told that he had done wrong but would be allowed to go, suffering only the confiscation of his camera. At this he said that he was just leaving Japan and could ill afford to buy another camera, so he would appreciate their kindness if he might have it back, which request, after long debate, was acceded to. However, the

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rouble was not over. On arrival at Kobe he was summoned again, and questioned interminably, the same questions being put over and over again. He was allowed to sleep in his hotel but was under surveillance. At length, the day before his ship sailed, he was told that he must surrender his camera and pay a fine of thirty yen. As alternative he was offered a trial, but would have to stay another week for that. Naturally he paid and surrendered the camera.

The incident led to the *Chronicle* to comment as follows:—"The point is that Japan is very anxious to have tourists, and anxious also that they should tell their friends what a good time they have had, so that more tourists will come. Yet they treat them like this! The idea that everybody with a camera must be a spy is ridiculous. Spies are doubtless very artful, and might take some harmless photographs to show that they were merely tourists. But they would be much more likely to get a Japanese photographer to procure them all the pictures they wanted. Besides, it is not difficult to take photographs without anybody seeing it done. It would be a perfectly simple business when anybody is found photographing where he ought not, to take away his film, take his fingerprints, and let him go. It need not take more than ten minutes, and if the photographer went on taking pictures in fortified zones he would soon be caught and would then deserve to get into trouble. Hundreds of perfectly innocent foreigners have been pestered out of their lives through this espionage mania, and no spy has ever been caught, but every amateur photographer thus troubled has gone back to his country and told all his friends that the Japanese were the rudest and most unreasonable people in the world."

World-wide Depression Forces Chinese Emigrants Back to Home Land

The serious effect of the world depression on Chinese living abroad is told in figures released last week by the Overseas Affairs Commission of the National Government.

According to the Commission, between July 1, 1933, and June 30, 1934, 278,944 Chinese mostly of the working class were forced by circumstances to return to China from the Federated Malay States, the Straits Settlements, the Netherlands East Indies, Siam, Cochin China and other countries.

During the same period only 132,303 Chinese left the country with the intention of earning their living abroad. Thus the number of those have returned in excess of those going abroad is 146,641.

The above figures are based on records kept at Amoy, Swatow and Chunchow, from where the largest numbers of Chinese emigrants have left for foreign countries.

Although the number of those who have returned is less than three per cent of the total number of Chinese living abroad, which is estimated at over 10,000,000, the rate at which Chinese have been continually forced to abandon the land of their adoption during the last few years is causing considerable anxiety to the Overseas Affairs Commission.

The Commission attributes the hard lot of Chinese immigrants in various foreign countries to the depression, especially the slump in the rubber and tin industries which absorb the largest numbers of Chinese immigrant labor.

In addition to economic reasons, the Commission also draws attention to discriminatory measures enforced by foreign governments against Chinese immigrants and the wave of anti-Chinese feeling in Japan and Korea and certain Central land South American countries.

Will Rogers in the Far East

Tho following despatches were sent to American newsapers by Will Rogers when be was in th. Far East last month.

Tokyo, August 15.—I thought during my long lifetime I had been awakeued just at daylight by every known thing, but right under the Imperial Hotel window exactly at daylight five separate baseball games start. That goes on all day. Harvard arrives tomorrow to play the Japanese colleges but about all they will win in will be in English pronunciation.

Rogers Sees Beginning of the End for Japan

Tokyo, Aug. 16.—Well, Japan won't have her world supremacy in business long. I saw a lot of golf courses being put in. That's the beginning of a nation's commercial decline. When we traded a spade for a putter that's the way we started in the red. What you guys doing with silver over there? You got these folks about nuts, and I expect you got yourself the same way.

Finds a Lull in Affairs in Manchukuo

Mukden, Manchukuo, August 17.—I'd heard how nobody seemed to be able to recognize Manchukuo, and there's been such a lot of trouble about it, but I recognized it the minute I got into the hotel here. It's not near as exciting as you might think There's lots of news, but it don't seem to be originating around here.

Sees Week's Peace Assured in Manchukuo

Hsinking, Manchukuo, August 19.—This country is so mad at Russia that they've broke off the diplomtaic relations that never existed. That makes the Soviets and Manchukuo such strangers that they can't even fight each other unless they can get Louisiana and Bolivia to act as seconds, so it looks like we're going to have peace over here all week long.

The Political Outlook in China

BY C. Y. W. MENG (孟 晨 泳)

IN accordance with the bye-laws of the Kuomintang, the C. E. R. (Central Executive Committee of the Kuomintang) is to convene the 5th Congress of the Kuomintang Representatives on November 12, 1934, in the Capital, to discuss the many problems of the day both concerning Party and national affairs. Up to now (September 22) several representatives from overseas Chinese have already arrived at Nanking. The "tangpu" (headquarters of the Kuomintang) in some places, as is the usual practice, have already sent out a telegram or two pledging their support to the 5th Congress.

The Kuomintang members of the South-West have also expressed their opinion by issuing a lengthy manifesto to clarify their stand. This telegram was headed by Hu Han-min, veteran member of the Kuomintang, and signed by many other leaders, such as General Chen Chi-tang, General Pei Chung-hsi, Gen. Li Chung-jen, etc. This telegram is in the form of a strong denunciation of the government policy and opposition to the convention of the Congress, adding that the resolutions which were decided by the 4th Congress were not yet being put into execution, so "what is the use of convening the 5th Congress?" According to other reports, another telegram from other circles in opposition to the convention of the Congress was also sent out. Thus, we have another serious situation before us just on the eve of the convening of the Congress.

Dr. Wang Chung-hui, Who It Is Predicted, Will Return to Government Service.

One report has it that the convention would be postponed, and would not be held until sometime in the spring of 1935. Only a short time after the issuance of the South-West's lengthy manifesto, another report from Canton had it that General Chen Chi-tang, the so-called "strong man" in the South, had addressed a telegram to the chairmen of the south-western provinces, namely, Kwangtung, Kwangsi, Yunnan, Kweichow, after clarifying his stand regarding the convention of the 5th Congress, making it very clear that his loyalty is with Nanking, and that he is giving "full support" to the National Government.

Thus, in the past, we have seen very frequently these people sending out telegrams in support of the National Government today, and in opposition tomorrow, thus putting us—more particularly the foreign observers of the Chinese political events—in an extremely difficult position when trying to grasp the political situation in China in its true perspective, and causing them to wonder and ask what are the probable political developments of the near future.

Both Nanking and Canton Desire Peace and Unity

On one hand, it must be admitted that, due to its inability to cope with the Japanese aggression, and having to sign so many "agreements" which the opposition characterize as "disgraceful" to the nation, the present regime in Nanking is meeting opposition everywhere. But on the other hand, it must be admitted that, due to the Japanese aggression, both Nanking and Canton are very anxious to have peace within and are willing to sink their differences and work together for the salvation of the nation. Nanking has sent embassy after embassy to Canton, such as General Chiang Ting-wen, Gen. Huang Shao-huing, etc., the sole purpose being to "explain" the Nanking policies before the elder members in the South and to seek for their co-operation. While Canton has to depend on Nanking for financial assistance in the form of monthly subsidies, Nanking has to depend upon Canton for assistance in the "bandit-communist campaign" in Kiangsi, as Nanking is determined to stamp out the trouble. So the necessity of the situation really opens a good chance for Nanking and Canton to be brought together through the efforts of certain leaders or politicians. Further, in view of the past repeated declarations of certain southern leaders that they do not oppose the "personnel" in the present Nanking regime, but only the policy of the Nanking Administration, we believe the gap between Nanking and Canton is not very wide. It is far easier to change or modify the policy rather than to comply with the demand for the "removal" of some big men, from office. In other words, the present political impasse and turmoil, as far as we can see, are not altogether devoid of any solution. What is required is the untiring efforts of some leaders and politicians in the country to bring all factions together so as to present a united front during the present national crisis. To be sure, to postpone the congress merely with a view to avoiding political dissension is the poorest way to save the situation.

Dr. Wang Chung-hui's Return to China—Its Significance

So the present political situation in the country is not one that justifies our extreme pessimism. Amid our disappointment and despair, we have however, many hopeful signs that intimate that the "tide has turned" in our favor. The leaders in the country have now awakened to the realization that to employ force to unite the country is futile, and that all of them are now willing to lay down their arms and are most anxious for peace and unity.

Dr. Wang Chung-hui, a jurist of international reputation, and an associate judge of the International Court of Justice at the Hague, returned to China sometime ago, for what reason he has never explained to us. The famous jurist was once the President of the Judicial Yuan when General Chiang Kai-shek was the chairman of the National Government, and Hu Han-min was the president of the Legislative Yuan. Both Dr. Wang and Tan Yuan-kai, the late president of the Executive Yuan, played a great part and did much in bringing about unity within the Kuomintang, right after the establishment of the National Government in Nanking, and in the smooth working of the new Government. However, Dr. Wang left China for the Hague to assume his judgeship after the "Chiang-Hu dispute" over the Provisional Constitution. He stayed in Europe for the past five years.

The untimely death of the late president of the Executive Yuan, and the departure of Dr. Wang for Europe—thus leaving the different political factions in the country too wide a gap between them with no politicians able enough to bring them together—are two of the most undesirable events in the Chinese history of recent time. Since then, we have heard much about "unity," yet no unity is being achieved. We have heard much about the dispatch of one mission after another and the sending of many "personal representatives" to interview with so and so, etc., supposedly working to the same end, yet nothing substantative has been done. Canton's cooperation in the suppression campaign against the communist-bandits in Kiangsi, which is so indispensable to Nanking, so far as we learn, is only "talk"; Canton is still on the fence. If we study the situation more carefully, we will come to the conclusion that the root of the trouble is the lack of some great leaders and politicians like Tan Yuan-kai, Dr. Wang, etc., whose strong personality and integrity command the respect of all, and who could play the role of bringing all factions together to achieve the "unity" and "co-operation" so much talked of today. The Chinese realize quite well as others do that China should form a "coalition cabinet" during the present national crisis, of the same nature as the formation of a coalition cabinet in Great Britain in the time of the Great War; but the question is who is able to play the important part?

The Kuling Conference—The Eve of the Congress

Turning again to our learned judge, he was once the premier of China; once Minister of Foreign Affairs; once the Chief Justice of the Supreme Court, etc. He is therefore both a jurist and a statesman. He is generally known as being a very careful man. He never acts unless he is sure of success. When he returned to China after five years abroad, he first arrived at Hongkong, where he had every opportunity to study the political situation on the spot, and had conferences with many of the leaders. After a short stay in Canton and Hongkong, he sailed for Shanghai. To the surprise of all, he did not visit Nanking, though he was repeatedly urged to do so by some leaders in the Government. Our learned Judge proceeded directly to Kuling where he had a conference with General Chiang Kai-shek; the nature of the conference, of course, could never be known now.

Shortly after that, an important conference was being held in Kuling, participated by General Chiang Kai-shek, Wang Ching-wei, President of the Executive Yuan, Sun Fo, President of the Legislative Yuan, and many other leaders. After the conference, it is reported that the president of the Executive Yuan came to Shanghai directly by air, announcedly for the purpose of seeing his private physician to examine his blood, but also announcedly for the purpose of "seeing Dr. Wang Chung-hui." The Chinese politicians are fond of keeping everything secret, hence the nature of the Kuling Conference and the Executive President's mission and hurried trip by air to Shanghai could never be known.

A Change of the Cabinet Predicted—Who Will Be the Successor?

Be it one or the other, we are sure that what the Chinese leaders and politicians are doing now is to arrive at some formula to make the convention of the 5th Congress possible and successful—for example, promising to make some changes in the alignment in the govrenment to meet the wishes of the other factions; by agreeing to make some change or modification in the policy; but most important of all, by looking out to find some leaders or politicians who are "agreeable to both Nanking and Canton" to form what is called the "coalition cabinet" to tide over the present national crisis. Nanking's sincerity for peace and unity is not doubted. Nanking's action to discard their factional interests and to regard the national interest above of all, should have our every admiration!

Dr. Wang, the Only "Persona Grata" to Nanking and Canton

In looking out for such a leader, Nanking may have to consult Dr. Wang and recall him to service. That may explain the reason for his return. We suggest and predict Dr. Wang's re-entering into the government service, for two reasons: First—As both Nanking and Canton are anxious for peace and unity, what is naturally to follow is, of course, to let some leaders in the country who are "agreeable to most factions" organize the cabinet; and, secondly, we think Dr. Wang is the only "persona grata" in the country who is agreeable to both Nanking and Canton. With Dr. Wang re-entering the government service, it will pave the way for greater "cooperation" between Nanking and Canton in future, namely, "Chiang-Hu co-operation." With General Chiang in charge of military affairs, with Mr. Hu in charge of political affairs, and Mr. Wang of Party Affairs, the "triumvirate," which were once at loggerheads, are now being drawn together through the efforts of politicians who are "persona grata" to all, to form a "coalition cabinet" to cope with the present national crisis. This is what is in store, and this is what will probably happen after the convention of the Congress. So, we have great hope ahead to see the early unification of the country. The present situation does not justify our pessimism.

Nanking, September 22, 1934.

Foreign Y. M. C. A. Management Is Criticized

The management of the Foreign Y. M. C. A. in Shanghai has come under a wave of criticism voiced in letters in the Shanghai daily newspapers following the suicide of a Russian watchman who leaves behind a destitute wife and two children. It was disclosed that his wages were forty-five Chinese dollars per month (about four U. S. dollars per week.) One correspondent mentioned that the effort to support a family of three on such wages constituted worry enough to drive a man crazy. Another correspondent in support of the contention that there was an over-paid foreign staff, listed this staff as follows: General secretary, business secretary, asst. business secretary and wife, physical director, asst. physical director and wife, ladies' physical director, educational director, manageress for snack-counter and housekeeper—in addition to a full Chinese staff.

New Filipino Constitution to Provide for Military Conscription

Advices from Manila state that military conscription and strict restrictive measures regarding trade will be incorporated in the new Philippine constitution. Compulsory military training, patterned after the United States Reserve Officers' Training Corps system, will be a required course in all high schools and universities as an addition to the conscription statute.

A ministry will be established to direct matters pertaining to national defense. Nationalization of land transport and sea shipping as well as subsidies to industries necessary for military purposes are also provided in the measures now being drafted.

Moral Reform in Canton Takes Another Angle

As a further step towards restoring the old virtues, a ban has been imposed by the authorities in Canton on young maidservants in boarding houses for college students. The practice is being suppressed on the ground that it has brought moral ruin to many a student and is certainly much worse than mixed bathing, which is prohibited. The measure was originally proposed by a college professor who alleged that young female servants were being kept in student quarters for questionable purposes and the practice was a serious social evil that the authorities in immediately curb.

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Huge Dredger Launched in Dantzig for Yangtze Use

One of the largest dredgers in the world was launched at Dantzig Sept. 15 in the presence of the Chinese Charge d'Affaires at Berlin and other officials. The dredger is destined for use on the Bar of the Yangtze river and is expected to be completed early next year at a total cost of approximately $2,350,000. The building of the dredger was ordered by the Whangpoo Conservancy Board as a solution of the problem of removing 40,000,000 tons of mud from the Yangtsze Bar and lowering the crest by about nine feet over a width adequate for large ships. The special type, which combines dragging and suction operations, was evolved after years of study by the Board, the deepening of the channel having been advocated for the last sixty years. It will be able to remove and discharge 30,000 tons of mud in ten hours. The dredger which is being completed is one of the largest that have ever been built and will appear to external view just like a cargo ship. She is 360 ft. long, 60 ft. wide, and when loaded with 4,000 tons of mud, will draw 18 feet. The guaranteed output of the dredger, including the discharge of mud two miles away from the dredging place, is 25,000 cubic yards per day or over 30,000 tons in ten hours. The general design and specifications have been prepared by Dr. Herbert Chatley, Engineer-in-Chief of the Whangpoo Conservancy Board, assisted by the Dredging Department of the Board. The details of the design were made by Mr. Kolkmann, the chief technician of Messrs. Schichau.

Kiangsi Pottery-Making Industry to Be Revived

A far-reaching program has been embarked upon by the central and provincial authorities to bring about a revival of the Kiangsi pottery industry, according to Chang Chia-ngau, general manager of the Bank of China, who recently returned to Shanghai from Kuling. The Kiangsi Provincial Government, according to Mr. Chang, has organized the Kiukiang Pottery Development Company with Tu Chung-yuan, engineer-in-chief of the Hangchow-Kiangshan Railway as the organizer. The Provincial Government has set aside $200,000 for the capital of the company, while shares from merchants will also be solicited. Measures for reforms in the pottery industry of Chingtechen, Kiangsi, are now engaging the attention of the National Economic Council and the necessary funds to bring about vast improvements will be appropriated by that organ, Mr. Chang further stated.

Free Testing of Export Products Is Ordered by Ministry

In order to facilitate the development of China's foreign trade, the Ministry of Industry, in an order to the Central Industrial Experimental Station and the Foreign Trade Bureau, instructs that inspection and testing of the products of native factories be made free of charge, with the object of determining their suitability for export.

"Foreign-Word" Trade Marks Are Permitted

The Trade Mark Bureau of the Ministry of Industry has issued an emphatic denial to the report which was in circulation some time ago that Chinese merchants would not be permitted to put foreign words on their trade marks. The Bureau declared that no such order had been received from the Ministry of Industry and that the report was absolutely groundless.

$3,000,000 Loan to Help Chekiang Silk Industry

Tseng Yang-pu, head of the Construction Bureau of the Chekiang Provincial Government, arrived in Shanghai during the week-end to resume negotiations with local banks for a loan of $3,000,000 to be used for the promotion of the silk industry in Chekiang Province. It is understood that the Central Bank and the Bank of China have consented to make a loan of $1,500,000, while the remaining $1,500,000 will be obtained from the Chekiang Industrial Bank and the National Commercial Bank.

Ministry Contemplates Erection of Rayon Silk Plant

Alarmed by the huge quantity of rayon silk imported from foreign countries, particularly Japan and Italy, the Ministry of Industries and Chinese silk weaving factories in Shanghai are seriously considering establishment of a manufacturing plant in China with Chinese capital. Representatives of the silk weaving industry are known to have had preliminary discussions with Chen Kung-po, Minister of Industries, in Nanking. The industrial leaders are said to have promised to invest in the new project while the Ministry will render technical assistance.

Match Factories Protest Against Illegal Traffic

Enforcement of the old rates of the Consolidated Tax on matches transported to Amoy and Foochow was urged by the National Match Manufacturers' Guild in a petition to the Ministry of Finance Sept. 15. Pointing out the large-scale smuggling of matches that has been going on in the two Fukien cities, the message deplores that though preventive measures are promised by the Ministry, the illegal traffic is still uncurbed.

Regulations Adopted for Settling Maritime Disputes

A set of provisional regulations relating to the new Commission for the Settlement of Maritime Disputes has been adopted by the Executive Yuan on the recommendation of the Ministry of Communications. It is understood that the Yuan has requested the Central Political Council to authorize the temporary enforcement of these regulations, pending formal approval thereof by the Legislative Yuan. According to the new regulations, there shall be established under the Navigation Department of the Ministry of Communications, a Commission for the Settlement of Maritime Disputes, which shall serve as the organ for the mediation or arbitration of disputes.

New Long Distance Phone Service, on Nanking-Shanghai Highway Route

A new direct long-distance telephone service between Nanking and Shanghai, making use of the Nanking-Shanghai Highway route, was inaugurated Sept. 16. The fees for messages are as follows; From Shanghai to Ihing $1.20, to Soochow $.70; to Wusih $.45; to Nantung $1.10; to Chinkiang $1.15; to Yangchow $1.25; to Nanking $.90 and to Wuhu $1.40.

Half of State Capital Be Remitted to China Merchants S. N. Co.

The Ministry of Communications in a petition to the Executive Yuan Sept. 17 recommended the immediate remittance of a sum of $15,000,000 to the China Merchants Steam Navigation Company as part of the state capital, which is fixed at a total of $30,000,000 of the company. An earlier petition of the China Merchants S. N. Co. for appropriation of the state capital of $30,000,000 and the flotation of a public loan of $20,000,000 to provide running expenses for the company, has been referred by the Executive Yuan to the National Economic Council. But, in view of the stringent situation of the China Merchants' S. N. Co., however, the Ministry of Communications now recommends that half of the state capital ($15,000,000) be remitted to the company immediately.

Long Distance Bus Service Between Sinkiang and Suiyuan

Communications between Sinkiang and Suiyuan provinces have been greatly improved since the inauguration of the Sinkiang-Suiyuan long-distance bus service, and as a result, according to official estimations, trade and commerce between Sinkiang and the interior has been greatly enhanced. While it used to take several weeks to travel by camel from Sinkiang to Suiyuan and vice-versa, may be it now takes only twelve days to cover the same distance. The Sinkiang-Suiyuan long-distance bus route runs from Suiyuan to Tihua, covering a total distance of 5,870 li or just under 1,000 miles.

Extension of the Lung-Hai Railway, to Hsienyang or Hsingping, north of the Wei Ho (river) in Shensi, is recommended by Shao Li-tzu, Chairman of the Shensi Provincial Government, in a telegram to President Wang Ching-wei, General Chiang Kai-shek, and Ku Meng-yu, Minister of Railways. Mr. Shao points out that whereas extension of the Lung-Hai Railway to Sian, provincial capital of Shensi, is scheduled to be completed before the end of the year, it would be a pity if the line should terminate at that point, instead of being extended to serve the districts north of the Wei Ho.

Shensi Buys 125 Cotton Ginning Machines

A consignment of 125 cotton ginning machines ordered in Hankow by the Association for the Improvement of Cotton Production in Shensi Province recently arrived in Weinan, a station not far from Sian along the Lung-hai Railway. Another consignment of cotton packing machines ordered at Chengchow is due shortly. The Association has sent men to Weinan to distribute the gins among the various cotton co-operative societies in the province. The cotton crop in Shensi is stated to be very good this season and purchasing orders have been sent in by merchants from Shanghai, Hankow, Tientsin, Kaifeng and many other places.

The Ministry of Industry has despatched Wu Cheng-lo, Director of the Bureau of Weights and measures, on an inspection trip to the five southern provinces of Fukien, Kwangtung, Kwangsi, Yunnan and Kweichow, to study the progress made in each of those provinces in the standardization of weights and measures.

Soviet Oil Production Shows Large Advance

Oilfields of the U.S.S.R. produced in August over two million tons of oil. The total oil output for the first eight months of this year throughout the U.S.S.R. was 17 per cent higher than for the corresponding period of last year.

Oil output in Eastern regions has increased most noticeably. The Vostokoevt Oil Trust (Eastern Oil) increased its output by 46 per cent and the Sredazneft Trust (Central Asia Oil) by 35 per cent, as compared with the same period of 1933.

Siam Rejects Rubber Quota—Cabinet Resigns

Siam's proposed rubber quota under the international restriction scheme was rejected when it was submitted for ratification in the Assembly at Bangkok, Sept. 14, and as a consequence the government resigned.

It is possible that this development may cause King Prajadhipok, who is now in Europe, to hasten his return to Bangkok, from where he has been absent for several months.

U. S. Textile Strike Comes to an End

President Roosevelt in New York Sept. 21 made a personal appeal to the strikers in the textile industry to return to work immediately. The strike mediation board voiced an earnest hope that the strike would be called off, and that employers would re-engage strikers without discrimination. It proposed that an impartial board of three should regulate the practice of increasing the machine load of individual workers, and that such increases should be banned until February.

Partly due to the appeal made by President Roosevelt, the leaders of the nation-wide textile strike decided to send the men back to work Sept. 24. Francis Gorman, head of the strike committee, and William Green, president of the American Federation of labor, issued a joint statement declaring: "We have gained every substantial thing we can gain from this strike, which has torn apart the whole unjust structure of the N.R.A., lifting a load from the shoulders of all labor as well as from ourselves." Mr. Gorman announced that they had gained among other things, a method of determining wages on a basis of fact, practical recognition of the union and a sweeping reform of the labor provisions in the textile code. General Hugh Johnson had launched various attacks against the workers during the strike and the upshot is that Bernard Baruch is to succeed him as head of the N.R.A.

Upton Sinclair, the "Socialist" Democratic nominee for governor of California is being lauded in speeches by William Gibbs McAdoo and George W. Creel.

Colonel Frank Knox, editor and publisher of The *Chicago Daily News*, in a recent speech said that already the total number of U. S. citizens who derive their entire support from the government payroll of one sort or another includes one in every five. This is a sufficient number, under the two-party system, to control any national election since the Civil War, he said.

Bruno Richard Hauptmann, a 35-year-old escaped convict German, has been arrested in New York on charges connecting him with the abduction and murder in 1932 of the infant child of Colonel Charles A. Lindbergh, famous American aviator. Hauptmann was caught with large sums of marked bills paid out for ransom by Col. Lindbergh. The trail has led to Germany, where one Fische, alleged to have been connected with the kidnapping, proceeded, and where (Leipzig) he later died.

British Yacht Defeated in Attempt to Capture American Cup

After a series of exciting yacht races off Newport, in which the British yacht *Endeavor* challenged the American defender *Rainbow*, the latter won by winning the fourth race Sept. 25.

Continued Heavy Exports of Silver from China Predicted by Arthur Salter

Heavy exportation of silver from China within the next year or two is almost inevitable, according to Sir Arthur Salter, noted British economist who recently completed a survey for the Chinese Government, based on his work as official advisor to the Chinese National Economic Council.

In "China and Silver," which was published in New York last week as the condensed version of his official report, Sir Arthur pointed out that the deterioration in China's external trade, as well as the reduction in internal prices and trade, within the last two years have to a large extent been caused by the departure from gold of the former gold currencies, and the consequent appreciation of silver and the Chinese dollar in terms of these currencies.

"The process is continuing and is likely to cause further grave injury," he wrote. "There are great dangers and difficulties in any departure from the present silver basis of the Chinese dollar. "Without that, however, China can only escape the injury of further deflation if silver ceases to rise substantially in relation to the foreign currencies and to the world prices of commodities. The principal factor is the silver policy of the United States. It seems important, therefore, that China (whose real interest in silver is overwhelmingly greater than that of any other country) should make her position clear to the government of the country."

Silver exports from Shanghai during the week ending September 15 amounted to $11,145,513.88 and Hongkong $40,000 as compared with $5,831,579.08, Hongkong $7500 and 9200 silver slabs during the previous week.

Dr. H. H. Kung Says Re-Exports of Gold Will Be Permitted

In view of numerous enquiries from New York and other financial quarters abroad concerning whether China would restrict the re-export of imported gold, Dr. H. H. Kung, the Minister of Finance, stated Sept. 24, that China welcomes the import of gold from abroad for safe-keeping, savings or investment and does not restrict in any manner the re-export of such imported gold as long as a Customs certificates at the time of re-export is produced showing the time and amount of imported gold.

The Montreal Silver Exchange will formally open on October 1.

Prediction that that the world price ot silver will reach U.S. $1.29 an ounce within two years was voiced in San Francisco, Sept. 24 by Senator Key Pittman, Democrat, from Nevada, one of the leading silver advocates in Congress, in a speech to the American Mining Congress.

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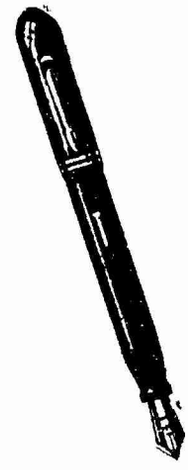

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Canton Opposes Hongkong Customs House Idea

Vigorous opposition to the proposal to establish a Chinese Customs station at Hongkong was voiced in a circular telegram issued Sept. 21 by the Canton Chamber of Commerce. The Chamber declares that the move would be "suicidal," contending that it will have an adverse effect on China's home industries. The message appeals to Nanking to cancel the proposal.

The suggestion for the establishment of a Chinese Customs station in the Colony is reported to have been made with the object of checking the extensive smuggling between Hongkong and Canton, to which the continued sharp decline of Customs revenues in the latter city is attributed. An official of the Ministry of Finance has been in South China for some time investigating the extent of smuggling in that part of the country.

Chinese Adverse Balance Reaches $360,115,198 for First Eight Months of 1934

China's foreign trade during the month of August resulted in an adverse balance of $30,195,174, bringing the total import excess over exports to $360,115,198. Imports during the month amounted to Customs Gold Unit 37,942,209 or $74,252,903 while exports from China were valued at $44,057,729. The total of imports and exports during the month was $118,310,632. During the first eight months of the year, imports into China were valued at $717,631,782 while the exports amounted to $357,516,584. During the corresponding period of 1933, the imports were valued at $974,584,629 while the exports were $410,373,826, recording an import excess of $564,210,803.

Transportation Conference Is Held at Tsingtao

The 17th National Through Transportation Conference was held on the premises of the Kiaochow-Tsinan Railway administration at Tsingtao during the week under the chairmanship of Yu Yen, Director of the Through Traffic Bureau of the Ministry of Railways. Over 90 delegates from the various railways were in attendance. Speeches were made at the opening ceremony Sept. 20 by Hsia Kwang-yu, special representative of Ku Meng-yu, Minister of Railways, Mayor Shen Hung-lieh and Ko Kwang-ting, Chairman of the Administrative Committee of the Kiaochow-Tsinan Railway.

Chekiang Organizes New Tourist Bureau

The tourist bureau of the Chekiang Provincial Government designed to improve the facilities to attract visitors to famous scenic spots in that province, will be inaugurated early next month.

Peiping-Hangchow Line Leads Chinese Railways in Earnings

Revenue derived from freight on the 14 Government railways during the month of August totalled over $7,380,000, according to the statistics compiled by the Ministry of Railways. The amount of freight transported was more than 2,300,000 tons. The Peiping-Liaoning Railway transported the largest quantity of freight, followed by the Peiping-Hankow and the Canton-Kowloon Railways. From the standpoint of income, however, the earnings of the Peiping Hankow Railway were highest, with the Tientsin-Pukow Railway second, and the Peiping-Liaoning Railway third.

Chekiang Province Produces Much Paper

The total paper production in Chekiang Province last year is valued at $20,850,478, according a report of the Chekiang Provincial Government. The net profit amounted to $3,624,170. Of the total amount of paper produced, 29 per cent was consumed for religious and superstitious purposes, 23 per cent for wrapping and packing, and 28 per cent for other uses.

Railways Seek Loan for Cold Storage Plant

A loan of $2,500,000 for the construction of a huge cold storage plant is being sought by the Ministry of Railway from leading local banks. Plans mapped out by the Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railways for the construction of the cold storage plant are now under the consideration of Tan Yueh-tsung, assistant manager of the Business Administration of the Ministry of Railways. Similar plants for cold storage purposes are planned for the Tientsin-Pukow and Peiping-Pukow and Peiping-Liaoning lines. The cold storage facilities are intended to boost the business in transportation of goods first of the four railways and then all the lines throughout the country.

Grain Merchant Suggests Import Proceeds Be Allotted to Chekiang

Chang Sun-fu, a prominent local Chinese grain merchant, has submitted a proposal to the Central Government asking that the import taxes being imposed on foreign grains and flour be totally set aside for financing the various relief measures to be carried out for the people in Chekiang province who are suffering from bad crops as a result of the drought this summer.

Ministry of Finance to Introduce New Documentary Stamps

Despite the opposition raised in certain quarters, the Ministry of Finance has definitely decided to enforce the sale of the new documentary stamps, which will be obtainable by the public only through the local post offices, on and after November 1. The old stamps will be simultaneously declared null and void. Interviewed, a spokesman or the Ministry said that a clamor has been raised for the privilege of exchanging old stamps for the new ones so as to preclude losses by the merchants. But the present stock of stamps available only amounts to $2,000,000, which should be easily absorbed in the ordinary course between now and the end of October. He deplored the fact that the merchants have in the past frequently evaded payment of the Stamp Tax. The present agitation against the introduction of the new stamps on November 1, he said, is attributable to the plans of certain profiteers to manipulate the sale of old for new stamps if the privilege of exchange is conceded.

The annual proceeds from the Stamp Tax hitherto amounted to $15 millions. After readjustment, however, the total is expected to reach $60 millions a year. The major portion of the revenue from the Stamp Tax will go to the local governments, he added, in the following proportions: Ministry of Finance, 34 per cent; Ministry of Communications 6 per cent; (as commission for the Post Offices); Provincial Governments, 10 per cent; District Governments 30 per cent; and border provinces, 20 per cent.

Quo Tai-chi Asks League to Halve Contribution

Quo Tai-chi Sept. 21 raised the question before the Fourth Commission of the League at Geneva of the amount to be contributed by China.

Mr. Quo said he was unable to conceal the fact that the vote of the Assembly on the subject of China's re-election to the Council had given a fresh impulse to the large and growing section of Chinese opinion that questioned whether it was worth China's while to continue to pay large sums to the League.

He said the League apparently regarded the Covenant as a dead letter east of Suez and was not even concerned with maintaining the agreement that Asia should be adequately represented on the Council.

Mr. Quo added that he was not expressing the opinion of his government, which adhered fully to its previous statement to the Assembly; but he would like to warn the commission that China could not any longer acquiesce in a situation in which she, for no fault of her own, was officially proclaimed by the League as defaulter, with the result the world press and her national reputation was suffering.

This matter, he declared, must be cleared up by the Assembly. Since 1931 China had paid the League 5,250,000 gold francs, thus acquitting herself of her obligations under the agreement on her consolidated arrears in 1930. The time had come when the arrangement for halving her assessment as a temporary measure would have to be made permanent. China, he continued, was ready to continue payment of 1,250,000 gold francs per annum, but she could not labor any longer under the stigma of default.

Dr. W. W. Yen Felicitates Soviets

A message of felicitation on Soviet Russia's entry into the League of Nations and her election to a permanent seat on the League Council was despatched from Tientsin, Sept. 20 to M. Litvinov, the Soviet Commissar of Foreign Affairs, by Dr. W. W. Yen, Ambassador to Moscow on furlough. Interviewed, Dr. Yen said that Russia's entry into the League marks a new departure in her international policy as hitherto pursued since the establishment of the Soviet regime, and is bound to serve as a check, both juridically and politically, against any aggressive Power in the Far East.

League Council Without Major Far Eastern Representative

For the first time in the history of the League of Nations, the League Council met Sept. 20 without the representation of any major Far Eastern country. The new members took their seat on the Council. Livinov, the Soviet delegate, occupies a permanent seat specially created for the U.S.S.R.

The Question of Germany's Return to the League

The question of Germany's return to the League of Nations will be examined when complete equality is assured for Germany, the Reichsfuehrer, Herr Adolf Hitler, is reported to have declared in an interview with the Paris *Intransigeant* Sept. 22. Referring to Russia's admission, Herr Hitler said that notice must be clearly taken of the fact that important modifications appeared to be occurring presently at Geneva, and that it was equally necessary to follow the development of a situation created by the admission of a member who pursued the realization of a program for the diffusion of a Communist ideal throughout the world.

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Manchukuo Plans Monopolies in Oil and Tobacco

Far-reaching schemes for the establishment of monopolies in oil, tobacco and gold-mining in Manchukuo are reported by the special correspondent of the *London Times* in Dairen, who says: "International complications may arise if these plans are carried out. The Manchukuo government, under Japan's tutelage, has recognized the validity of all foreign treaties which applied to Manchuria at the time of the Japanese occupation in September, 1931. As important passages in some of those treaties affirmed that equal opportunity be assured to foreign countries, the erection of industrial or commercial monopolies might very conceivably be construed as violation of such agreements."

To Favor Japan

The monopolies contemplated could, it is suggested, be wholly in favor of Japan and would be tantamount to slamming the "open door" in the faces of foreign enterprise. That development would also conflict with public assurances, given both by the Japanese and Manchukuoan authorities, pledging that the open door would be maintained.

The United States and Great Britain would be the first and largest victims of a policy of economic discrimination in Manchukuo. This would be particularly true in the event of the plan to erect a state oil monopoly, the management of which would be placed in the hands of a company, the majority of whose shares would be held by the governments of Japan and Manchukuo. The project, it is reported, would ban importation of the main brands of manufactured oils, kerosene, gasoline and lubricating. Crude oil would continue to be imported—by the monopolistic company—but would be sold only at government-fixed prices.

Oil Refinery Planned

A large oil refinery is also being built at Dairen.

Manchukuo intends ultimately to mine its own crude oil, which is believed to be available in sufficient quantity to supply demestic needs. Oil is already being extracted from the shale deposits of the Fushun coal area, near Mukden.

Observers have been wondering whether the powerful United States and British oil concerns will passively watch these developments without insisting on their share of the market under existing open-door treaties.

It is understood that Manchukuo has also been preparing plans for a state tobacco monopoly, though details remain unknown.

A new mining law which the authorities had intended to promulgate on July 1 but which has been delayed would, it is stated, create a Manchukuo-Japanese gold mining monopoly.

Real Estate Review by Realty Investment Co.

The French Concession continues to grow as a residential section of Shanghai. The census being taken this week in the concession will prove interesting to those who are building and planning to build houses and apartments. Many students of growth in population feel that houses are being provided in excess of demand, while others feel that Shanghai will double its population by 1945, and that the present construction is warranted.

The largest permit in the French Concession is for 48 Hongs with a gate house and boundry wall, on Rue Ratard, between Soeurs and Petiot. There are several other permits, they follow:—An apartment 2 story with Pent House, and five 2-story Hongs on Route Soeurs, North of Avenue Joffre.

An apartment, 4-story on Rue Albert, between Frelupt and Victor Emmanuel.

Four 2-story shops on Route Pere Dugout, just East of Rue Marche.

Five 2-story Hongs on Rue Henry, East of Route Lorton.

A semi-foreign residence on Zikawei, between Dufour and Ghisi.

Three shops and three hongs on Voyron, between Vallon and Joffre.

A residence with a garage on Route Ferguson, between Culty and Boissezon; and four shops on Route Laguerre, just off the Boulevard des Deux Republiques.

In the Western district of the Settlement there are two permits. One is on the corner of Penang and Tonquin Roads, and is for additions to 9 Chinese shops. The second is for alterations to a foreign dwelling on Gordon Road, between Avenue Road and Sinza Road.

In the Central district on the corner of Nanking and Kweichow Roads, a permit for the conversion of a foreign store into a Bank.

In the Eastern district the following permits have been issued:

On Muirhead Road, between Point and East Yuhang Roads, a foundry building with offices.

On Kwenming Road, East of Kinchow Road, offices, 2 sheds and entrance gates.

On East Yuhang Road, Northeast of Chaoufoong Road, an open shed with fence and entrance gates.

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Recent Hurricane in Japan Makes Strong Impression on Internal Politics

A *RENGO* message from Tokyo, Sept. 23 stated that Japan's military strength will be greatly affected by the recent typhoon, which inflicted heavy damage upon the heavy industries of the nation. This view was freely expressed following the publication of full reports of the losses suffered by Kobe, Osaka and Amagasaki, near Osaka, which districts include a better part of Japan's heavy industries.

The districts, stricken by the typhoon, have been working day and night during the last year, mostly on the production of military supplies. Most of the factories in these districts have been forced either to cease operations or to curtail them.

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Japan Hit by Worst Typhoon in 30 Years—Two Thousand Killed

A typhoon which reached a velocity of 136 miles an hour struck the principal islands of Japan Sept. 21. The Kwansasi district, in which Osaka, "the Manchester of the East" is located, deaths reached more than a thousand. About 200,000 were sufficiently injured to require medical attention, food and shelter. As a result of numerous school buildings collapsing, several hundred pupils were killed and upwards of a thousand injured. No typhoon of similar violence had hit Japan in the last thirty years. The Osaka newspapers had to suspend for want of electric power. A west-bound express, carrying more than 500 passengers, jumped the rails and was wrecked as it crossed a bridge across the Seta River, east of Kyoto. Ten of the eleven coaches comprising the train were thrown down on their side causing passengers to be tossed out of windows into the river below. The total of deaths reported in various parts of the country as the result of the typhoon is put at just over 2,000.

President Roosevelt Sept. 22, telegraphed Emperor Hirohito the sympathy of the American nation to the Japanese people in the appalling disaster which they have suffered.

Special Session of Diet Probable

Predictions of a probable summoning of an extraordinary session of the Diet to pass on measures for the relief of the victims of the typhoon are gathering weight as opinions favoring such a move were heard in Army and House of Peers circles. The forecast that such a step would be unavoidable were made by leaders of the two major political parties, the Seiyukai and the Minseito. Government circles, however, were apathetic to the idea, apparently fearing that a session at this time may offer the Seiyukai an occasion for attempting to wreck the Cabinet. The majority party, ostensibly offended at Premier Keisuke Okada's failure to offer its members "cabinet posts commensurate with the importance of the party" forbade its members to accept portfolios in the government. Members who disregarded these orders were stricken off the rolls.

The Seiyukai has been agitating for the calling of an extraordinary session of the Diet to discuss farm relief since early this year, when Viscount Makoto Saito was still Premier.

Observers point out that if a session is called at this time, the Government will be unable to limit the agenda to relief measures for the typhoon sufferers. The Government will be asked to present concrete plans for alleviating the suffering of flood and drought victims as well, they predicted.

Agitation for legislation to lift the burdens of the farmers will also be made by the Seiyukai, various political commentators declared. Rice prices are soaring.

Farmers in Northern Japan Are in Despair

The farming communities in the Tohoku district, comprising the six northernmost prefectures of the main island, are reported in the *Japan Advertiser* to be in the depths of despair. The rice crop is far below normal, and the sale by the Government of part of its stored rice is doing little good. Trouble between tenants and landowners is looming. The collapse of the silk market has greatly curtailed the earning of farm girls accustomed to working in the filatures, and almost everybody is in debt.

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Japanese Foreign Office Wants Nine Million Yen to Extend Diplomatic Operations

So vital in tiding the country over the 1935-36 international crisis are the new enterprises which the Foreign Office wishes to undertake in the next fiscal year that it thinks the estimates for them, Yen 49,450,000, in its new draft budget should be given priority to even the army and navy estimates, reports the *Asahi*. The budget bureau of the Finance Ministry is scrutinizing the figures submitted by the Foreign Office and is expected to decide on how much to sanction toward the end of the week. The estimates for new enterprises are divided into Yen 14,750,000 for those that come under the ordinary accounts and Yen 34,700,000 for those under the extraordinary accounts. The amount for enterprises in the first category is greater by Yen 12,700,000 than that in the current budget, and the amount for those in the second category is greater by Yen 26,270,000, the paper states. The whole of the current budget is only Yen 27,861,000. The largest Foreign Office budget in recent years, in the 1932-33 fiscal year, was Yen 55,730,000, and the smallest in the 1930-31 fiscal year, was Yen 19,469,000, Though the *Asahi* does not give the total of the estimates submitted for the next fiscal year, it would be of record size if the full amount asked for new enterprises were granted.

The paper reports that an additional Yen 9,150,000 is wanted for new diplomatic operations made necessary by Japan's new position in East Asia since the rise of Manchukuo, for special negotiations with other countries incidental to Japan's withdrawal from the League of Nations, for the 1935 naval disarmament conference and for negotiations with China, the Soviet Union, the United States, Great Britain and other countries on certain unspecified matters. Foreign Minister Hirota is represented as determined to press for the full amount, which he regards as infinitesimal in comparison with the sums asked by the army and the navy. The Foreign Office wants to open legations in Egypt, Ethiopia, the Union of South Africa, Finland and Latvia and to establish a diplomatic agency in Uruguay. The consulates at Amoy, Tsitsihar and Bombay are scheduled for elevation to the status of consulates-general, and new offices with the same status are contemplated for New Delhi and Baghdad.

Premier Okada to Name Overseas Minister

The *Mainichi* understands that Premier Okada has made up his mind to appoint a minister for the Overseas post, which he is holding additionally, now that the question of the readjustment of the Japanese administrative systems in Manchuria has been solved. The government circles believe that the appointment will be made before the end of the year and that the candidate will probably be chosen from among the members of the Upper House.

Premier Okada so far has been delaying the appointment of the Overseas Minister in order to take full charge of the office, pending the solution of the readjustment question regarding the Manchuria systems, but now that that has been settled, the Overseas Office is impatient for the early appointment of a minister to give its affairs his sole attention in view of the situation at home and in the overseas territories.

Manhandling in Prison Stated to Have Resulted in Death of Convict

Continuing their investigations into the allegation that guards of the Uwajima prison caused the death of a convict through manhandling, the Matsuyama procurator's office Sept. 19 detained another jailer, Hachitsuka. They summoned the chief jailer and one of the guards to the procurator's office on Sept. 17 and placed them in detention prior to the lodging of a formal charge. A suit entered in the Matsuyama district court recently in the name of a youth named Inoue came as a climax to the mounting rumors that the strange death of his father, a convict, on June 26, was due to manhandling by prison guards on the pretext that he was shirking prison work. Seventeen convicts have been transferred from the Uwajima to the Matsuyama prison to facilitate the investigation.

Japanese Navy Flier Killed When Plane Crashes Into House

A Japanese naval aviator was killed when his plane, attached to the aircraft carrier *Hosho*, crashed in a village not far from the Tomitake aviation field in Miyazaki Prefecture Sept. 18. His plane fell on a roof and the gasoline tank exploded, starting a fire that destroyed the home. Engine trouble was blamed for the accident.

Former Seaman Jumps from High Building to His Death

Eizo Matsuda, 26, plunged from the seventh story of the Izuo building in Osaka to his death Sept 14. Formerly a seaman, he had participated with the navy in the Shanghai incident in 1932. Employed temporarily at the Nakayama steel foundry in Fukuoka, he recently took but failed to pass the examination for regular employees.

Advertisements Reflect Prosperity in Japan

Large increases in advertising linage in the leading Japanese newspapers of Tokyo in the first half of this month over the corresponding period last year reflect the industrial boom which Japan, almost alone of all countries in the world, is enjoying.

Japan Busy Making Commercial Agreements

A series of bilateral commercial agreements between Japan and six foreign nations are now being prepared by the Tokyo Foreign Office. The most important of these is the proposed treaty with Australia which was completed last week. The Japanese Government is believed to be stressing the fact that it is in Australia's interest to lower the duties, as the balance of trade between the two countries is in her favor.

Japan has also sounded Salvador on the question of a treaty, pointing out the prospects in Japan for Salvadorean coffee. Negotiations with Turkey, Portugal and Roumania are in progress. Conversations are also under way between the Foreign Office and the Government of South Africa for the conclusion of a trade agreement. As South Africa competes with Australia for the exports of wool, some difficulties will have to be overcome before the treaty is concluded.

Aged Buddhist Priest Pleads for "Blood Brotherhood" Leader

A dramatic scene occurred at the Tokyo District Court Sept. 15 when an aged Buddhist priest, clad in a black robe and wearing a golden stole around his neck, pleaded strenuously for Priest Nissho Inouye, the fanatic leader of the super-reactionary Blood Brotherhood which plotted to overthrow the present form of government early in 1932 and assassinated the late Finance Minister Junnosuke Inouye and Baron Takuma Dan, Managing Director of the vast Mitsui interests. The death sentence was demanded by the prosecution for Priest Nissho on August 28 together with three of his 13 followers who were convicted.

Called by the defense, Gempo Yamamoto, chief priest of the Ryutakuji Temple in Shizuoka Prefecture and the former teacher of Nissho Inouye, analyzed the Blood Brotherhood crimes from the viewpoint of Buddhist doctrine. He believed national conditions motivated Inouye, leader of the brotherhood, to violation of the fundamental Buddhistic teaching of benevolence, and he observed that even though he paid the supreme penalty, Inouye would continue to have opportunity to serve his country as his spirit would survive.

The 69-year-old priest, wearing the ceremonial robes of his calling, explained at the outset that he was not concerned with the attorney's duty of pleading for Nissho Inouye from the legal standpoint, nor with the judges' duty of applying the law. "What I wish to say relates to spiritual matters; I wish to examine Nissho's actions in the light of Buddhistic teaching," he continued.

"Nissho Inouye was my pupil for a number of years, and he has penetrated into the supreme doctrine of Buddhism. I concluded that it was existing conditions in the country that made Nisshio decide to commit murder, an act contrary to the fundamental Buddhistic teaching of benevolence. Buddhism forbids the killing of any creature, human or otherwise and even insects. Should it become imperative, however, to remove one creature for the sake of the mass, Buddhism does not necessarily forbid the killing of such a one. All Buddhas with the exception of Amitabha are represented carrying some sort of weapon. The arms they carry are intended for the killing of the malevolent should benevolence toward the mass so require."

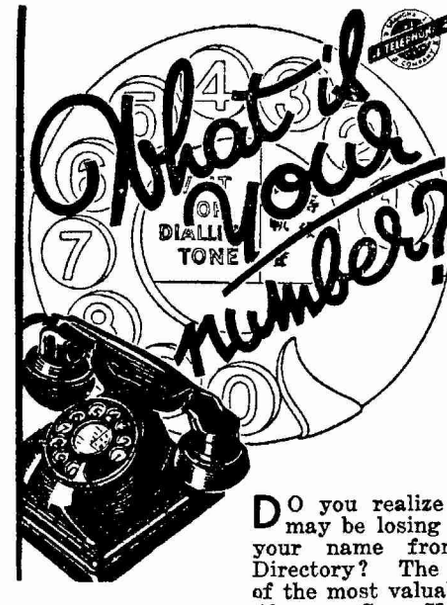
⁂

Chinese "Warned" Against American and European Influences

The Tokyo *Chugai* comments:—"Those statesmen of China who are under American and European influences are obviously working against the pro-Japanese group in hope of aggravation of the Japanese-Soviet situation, and they are striving for closer relations with Moscow. Spreading propaganda to the effect that a clash between Japan and the Soviet Union is likely in the near future, they are trying to strengthen the anti-Japanese and anti-Manchukuo policies of the Nanking Government, but their responsible elders pay little attention to them, knowing full well that normal relations between Japan and China are essential for peace in East Asia. A policy based on this realization is hampered, however, by the maneuvers of the pro-American and pro-European faction and by the constant friction with the Southwesterners in Canton and Kwangsi. The Chinese will be making a great mistake if they imagine that relations between Japan and the Soviet Union will become serious. There is some trouble between them over Manchukuo, it is true, but it is not deep rooted. With Manchukuo only three years old, trouble is perhaps inevitable. The Nanking statesmen and the Chinese people must get rid of their illusion that a serious clash is coming."

A Caution Against Third-Party Propaganda

Tokyo *Hochi* comments:—"It is quite important, indeed necessary, that we should reconsider the Far Eastern situation centering on the Soviet-Manchukuo border, and study whether it is really so strained as it appears. For it is possible that the Soviet policy of over-precautions at the frontiers is making the situation appear graver than it really is to those looking on, or that behind the whole situation is the propaganda of some third party that want to benefit by a Russo-Japanese struggle. As a matter of fact, if the apparent strain of the Soviet-Japanese situation is the outcome of mutually intended operations, its improvement will be no easy task. But nothing can be more ridiculous than the present estrangement between the two powers if it is due to the third party's propaganda or to mutual misunderstanding. Certainly both countries ought then, to mobilize their diplomatic organs for removal of all such sources of dangerous development."



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Revival of Anglo-Japanese Alliance Only a Question of Time

Tokyo *Kohumin* comments :—"The interests of Britain in the Far East are in conflict with those of the Soviet Union. It seems that the time is rapidly approaching when Britain will find it necessary to rely on Japan to check the U.S.S.R. There is no need for us to get alarmed over the prospects of isolation. Before long Britain will come to us for an alliance. Then Japan's isolation will be at an end. Revival of the Anglo-Japanese alliance is a question of time."

How Osaka Has Developed Manchurian Trade

The following "boost" for Osaka has been compiled by the Japanese Military Information Service, at Tientsin, which on this occasion went a little beyond its usual scope.

"As is well known, the city of Osaka is one of the most important commercial and industrial centres in Japan, and about 44 per cent of the total amount of trade between Japan and Manchukuo is taken up by Osaka, because of the activities on the part of Japanese merchants in that city. The total figures of the exports to Manchukuo from Osaka in 1932 were Yen 146,500,000 and imports from Manchukuo Yen 128,290,000, but in 1933 the exports to Manchukuo were increased to Yen 303,140,000, that is, more than double those of 1932. The sum of Yen 78,620,000 has already been recorded during the first half of this year for exports from Osaka to Manchukuo, thus breaking the record of last year for the same period, while the imports to Osaka from Manchukuo were Yen 168,000,000, which shows about 30 per cent increase over 1932. The most important products exported from Osaka to Manchukuo are cotton goods, iron ware, fancy goods etc. The main reason for such wonderful trading progress is due to the systematical organs established by Japanese merchants, that is, the various large groups of manufacturers and traders are now showing very smart business methods, while about 250 of the largest manufacturers and about 340 of the largest traders in Osaka are responsible for this increase in trade between Osaka and Manchukuo. Furthermore, the above manufacturers, and traders have now established a special Five Year Plan by which they are inviting many influential merchants of Manchukuo to visit Osaka and other important centres in Japan, probably starting from next March, so as to make Manchukuo traders really understand how Japanese products are manufactured, and also to avail themselves of this opportunity to conduct bigger transactions between the parties concerned, as well as to exchange views, especially with regard to the kind and style of goods suitable for the Manchukuo market."

Perpetual Lease Lands Tax Dispute Is Renewed in Japan

(*The following is the gist of a Rengo message from Tokyo, dated Sept.* 25)

The dispute between the Japanese and British Governments concerning taxation of land held by British citizens in Yokohama, Kobe and Nagasaki on perpetual lease, has not been settled. On September 19, Sir Robert Clive, British Ambassador in Tokyo, called on Mr. Shigemitsu, Vice-Minister for Foreign Affairs, and asked for the postponement of the disputed taxes. Sir Robert based his request on a treaty providing for exemption of perpetual lease lands from all taxation. Mr. Shigemitsu declined the request, saying that the treaty mentioned by the Ambassador dared back to the Shogunate era.

"Circumstances have changed very much since then, and, seeing that the foreign residents of this country are sharing the benefit of public facilities provided by the Government, I am of the opinion that they should pay the prefectural taxes. I cannot agree to postponement, but I am willing to give my best efforts to easing the manner of collecting," said Mr. Shigemitsu.

The dispute between the Japanese Government and foreign residents in Japan over the question of tax collection goes back more than forty years. The dispute originated in the number of perpetual leases on vast lots of land obtained by foreigners in the seventies. In 1894, after abrogating extraterritorial rights, the Japanese Government renewed the leases, and beginning of this century the Tokyo Government commenced to impose taxes. The dispute was brought by the British Government before the Hague Tribunal, which gave a decision in favor of the foreigners.

The Japanese Government then turned to indirect taxation. Numerous protests were made by the British Government, although to no avail. The negotiations for the settlement of the dispute have been conducted for the past few years. Now the final decision on the case has been referred by the British Ambassador to the Home Government.

Chinese Contributes One Thousand Yen to Typhoon Relief Fund

Chang Tien-fu, 61-year old president of the Chinese Barbers Guild in Osaka has made a contribution of a thousand yen to the typhoon relief fund.

Record Purchases of Raw Cotton by Japan from India

Record-breaking imports of Indian raw cotton are forecast for this year in Osaka trading circles aided by high prices of American cotton caused by reduced production in the United States as the joint result of A.A.A. crop curtailment measures and the drought. Indian shipments exceeded 1,570,000 bales from January 1 to August 21. Imports ranging between 500,000 and 600,000 bales are expected before the end of the year. If these anticipations come true, the total Indian raw cotton imports for the year will easily surpass the 2,000,000 bale mark set in 1925. Under the terms of the recently ratified Indo-Japanese commercial treaty Japanese spinning concerns must purchase 1,000,000 bales of cotton from India so as to ship 325,000,000 square yards of finished goods.

Siam and Japan—Cotton Planting as a Means to Balance Trade

The Japan Cotton Spinners' Association is to send a mission to Siam with a view to studying the position of cotton cloth cousumption there and the advisability of planting raw cotton on a large scale. Since the mission will be accompanied by officials of the Foreign Office and experts in cotton-growing, it is more than a mere trade commission. Importance is being attached to its ultimate effect on trade between the two countries.

Japanese Win Over Netherlands in Shipping Dispute

The Hague authorities Sept. 18 informed the Japanese delegates that they would accept the compromise plan on ocean shipping questions proposed by Tokyo. A special joint committee to deal with maritime problems will accordingly be established. The acceptance of the Japanese proposal by the Netherlands authorities has removed a serious threat to the negotiations, Japanese officials stated. The Dutch authorities previously insisted that the question of dividing freight between Japan and the N. E. I. be submitted to the conference for settlement. Japanese shipping interests opposed this, claiming that it should be discussed without Governmental interference. From this position they have now receded.

Australians Have Friendly Feeling for Japan, Says Wool Buyer

"Because we are part of the British Empire, we must buy certain articles from England, but this condition is not as important as it used to be," T. L. Tourrier, Brisbane, woolbuyer, declared in an interview with the Japanese press last week. Declaring that the Japanese girl, as she discards her kimono for foreign-style clothes, is deepening international relations between Australia and Japan, Mr. Tourrier said, "the feeling that Australia has for Japan is that of a friendly neighbor." He added that Australia knows that it is more economical to trade with Pacific countries, that Japanese goods conform to a high quality and are cheaper than those of her competitors, hence she is anxious to buy from Japan and wants to see tariff walls removed.

Committee for Lower Yangtsze Control Inaugurated at Chinkiang

A Committee for Control of the Lower Yangtsze River was formally inaugurated at Chinkiang, Sept. 20. The inaugural meeting was presided over by Chao Chih-yu, Chairman of the Yangtsze River Conservancy Commission, and attended by representatives of the Yangtsze River Conservancy Commission, the National Economic Council, the Kiangsu Provincial Department of Reconstruction and the 10 District Governments concerned. General plans for regulating the flow of the lower section of the Yangtsze as well as means for raising funds to realize the project, were adopted. It was also decided to amalgamate all the dyke-protection organs hitherto established by the District Governments.

At its meeting Sept. 18, the Hupeh Provincial Government decided that, in view of the extensiveness of the drought-stricken areas in the province and the large number of destitute refugees, all the Government employees in the province are to contribute part of their salaries to the relief fund which the Provincial Government has been raising. The amounts to be contributed vary according to the amounts of salary each official receives.

Shansi Suffers Heavily from Flood and Drought

A deathroll of 1613 and 403 injured and material damages amounting to $6,847,455.50 were reported by 43 of the 72 affected hsien districts in Shansi as result of the flood, hailstorm, typhoon, drought, locust, epidemic and other calamities which have occurred in that province during the last eight months, according to statistics compiled by the provincial government during the week.

Manchukuo to Have Right to Tax Japanese

The Japanese Foreign Office is planning to recognize the right of Manchukuo to tax Japanese who own land, reside, do business or undertake joint enterprises with "Manchurians" in South Manchuria and Eastern Inner Mongolia, according to the *Chugai Shogyo*, as part of the program for elevation of the international status of the new State. This will be in accord with the Sino-Japanese treaty of 1915, which followed the notorious 21 Demands. Manchukuo has recognized the validity of the treaty and agreed to make available to Japanese the privileges stipulated in it. Japan is ready, therefore, to recognize Article 5, which states that Japanese subjects receiving these privileges, besides being required to register with the local authorities passports (which must be procured under the existing regulations), shall submit to the police laws and ordinances and taxation of China, now Manchukuo. An announcement will be made, says the paper, as soon as the Manchukuo Finance Office is ready to impose the proper taxes. Though the point is not mentioned in the report, the *Japan Advertiser* presumes that Japanese subjects residing and doing business outside the railway zone in South Manchuria are at present not paying taxes.

Six Passengers Killed as Pirates Loot Vessel on Sungari

Following a mutiny of "Manchukuo" guards on the s.s. *Yuangkiang*, on the Sungari River beginning of last week a reign of terror was instituted by the mutineers during which they opened fire ruthlessly on passengers who showed the slightest sign of resistance, killing eight, wounding numbers of others and brutally clubbing many more. After tossing the bodies of the dead into the river, the mutineers commenced a systematic looting of the vessel, during which many women were assaulted. While the vessel was being navigated by officers under the menace of pistols, and the remainder of the crew who could be spared were herded with passengers into their cabins, the mutinous guards collected everything worth removing, including a large quantity of opium, and when sampans came alongside in response to a given signal, loaded their booty into the small vessels and departed shoreward after firing a parting warning. Two Japanese, two Koreans, one "Manchurian" and one member of the crew were among the dead.

Banditry Along Railways in Manchuria Increases

There were 807 cases of bandit appearance along the Manchukuo state railway lines during August, the General Director of State Railways announced in Mukden, September 21. The preceding month, there were only 474 cases. The number of bandits involved also showed a great increase, being 53,700 against 38,400 for the previous month. The increase in banditry is ascribed to the growth of kaoliang (sorghum), which affords ideal protection for the outlaws.

Illegal Occupation of Territory by Soviets Claimed by Manchukuo

The Harbin representatives of the Manchukuo Foreign Office Sept. 19 handed the Soviet Consul-General, M. Rayvid, a strong protest against the alleged occupation by Russia of Manchukuo territory at the confluence of the Amur and Ussuri rivers. Manchukuo claims sovereignty over the territory in accordance with the Sino-Russian Agreement signed at Peiping in 1860. Japanese quarters in Harbin alleged that the Soviets are erecting "extensive fortifications" in the area in question.

Tokyo Favors Demilitarized Border

Japan would welcome the demilitarization of the Soviet-"Manchukuo" border, a Foreign Office spokesman declared in Tokyo Sept. 20 in commenting on the French reports that Japan has already proposed to the U.S.S.R. that she withdraw her troops from the border. The Foreign Office, said the spokesman, would gladly assist in setting up of a commission, composed of the representatives of the U.S.S.R., "Manchukuo" and Japan, to deal with boundary problems. The demilitarization of the Russo-Korean border and the Russo-Japanese boundary in Saghalien, provided for in the Portsmouth Treaty of 1906, has been remarkably successful, and a similar arrangement in "Manchukuo" would be of value, concluded the spokesman.

British Mission to Arrive in Changchun Oct. 10

The British Industrial Mission, headed by Lord Barnby, is due to arrive in Changchun Oct. 10 and is to be received in audience by "Emperor Kangte," the erstwhile Henry Pu Yi the following day.

Pipe Manufacturing Company to Be Established in Manchukuo

A large steel pipe-manufacturing concern (Manchuria Steel Pipe Manufacturing Company) with a capital of Yen 8,000,000, of which Yen 2,000,000 will be paid up, will be organized in Manchukuo in the near future, the sponsors of the concern announced in Tokyo Sept. 25. Lieutenant-General Yamada, retired, is the chairman of the organizing committee.

In the United States Court for China

MICHAEL JUEL MEIER
Plaintiff,
vs.
VIVAN ELIZABETH MEIER
Defendant.

Cause No. 3739
Civil No. 1717
ORDER
Filed at Shanghai, China, September 14, 1934.
William T. Collins, Clerk.
by L. T. Kenake, Asst. clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorney, has this 14th day of September, 1934, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 11th day of September, 1934, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the nles in this case that on the 14th day of September, 1934, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has she resided therein at any time, and that defendant's last known address was care of The Emporium, Market Street, San Francisco, California, U.S.A.

NOW, THEREFORE, it is this 14th day of September, 1934, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 6th day of October, 1934 the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 14th day of September, 1934.

MILTON J. HELMICK,

Judge.

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New City to Be Built Near Shanhaikwan

A new city will soon rise on the eastern side of the Great Wall, the Department of Civil Affairs of the Manchukuo Government announced Sept. 25. Surveys are already being conducted by the Department on a 5,500 acre lot in the vicinity of the Wall. A sum of Yen 381,000 has been appropriated by the Department for the surveying.

⁂

Provincial Administration of Manchuria to Be Reorganized

A comprehensive reorganization plan for provincial administration has been promulgated in Manchuria. The reorganization plan, which is to be put into force on December 1, is notable in that it marks the first stage of centralization. It is also pointed out that the redivision of the country into new administrative districts is chiefly based upon economic considerations, each province forming a political and economic unit. The gist of the scheme is as follows:

1.—The present Fengtien Province will be divided into three new provinces namely, Fengtien Province (The seat of the provincial Government, Mukden), Chichow Province (Chihsien) and Antung Province (Antung); Kirin Province will be divided into three new provinces, namely, Kirin Province (Kirin), Sankiang province (Chiamuszu) and Chientao Province (Yenki); Heilungkiang Province will be divided into two new provinces, namely, Heiho Province (Taheiho) and Lungkiang Province (Tsitihar). A new province will be established in the North Manchuria Special District. This province will be named Pingkiang Province and the seat of its government will be Harbin.

2.—No change will be made in the status of Hsingan Province and its four sub-provinces.

3.—The administrative office in charge of each new province will be called the Provincial office.

4.—Each Provincial Office will consist of five departments, namely General Affairs, Civil Affairs, Police, Education and Industry.

5.—All the sub-divisions, or hsien, in the present provinces will be abolished.

6.—As a general rule, a Manchu official will be appointed as governor, while the chief of the General Affairs Department will be a Japanese official of the Manchukuo central government.

⁂

"Pravda" Discusses Japanese Administration in Manchuria

In an article dealing with the reorganization of the Japanese administrative system in Manchuria, the Moscow *Pravda* Sept. 18 wrote:—

"The aggressive circles of military clique have won complete victory. Henceforth, the Japanese military command in Manchuria will control the economy and capital investments in the country and will 'direct' its foreign policy. The South Manchuria railway, the greatest tool of economic enslavement of Manchuria, will be subordinated to the military headquarters.

"The aggressive circles talking about 'general unanimity' are ready to resort even to extreme measures. The country which is experiencing most acute economic perturbations, with the national budget extremely strained, is now forced to raise tremendous funds for the preparation of a war-theater in Manchuria. Dumping of Japanese goods in foreign markets, which has come into collision with the stubborn resistence of many countries in the form of preventive tariffs, quotas, and even direct prohibition of Japanese imports, is already unable to save the situation."

"Tass" Says Soviet Employees Showed Great Bravery During Bandit Attack

Refuting assertions previously made in Japanese messages that the Soviet employees connived at the bandit attack on the southern line of the C. E. R. several weeks ago, *Tass* says it has established that the Soviet employees displayed maximum courage and the spirit of utmost self-sacrifice. The crew of the train took energetic measures to prevent the invasion of the train by the attackers; the car conductors under fire locked the entrance doors of the cars. After the attackers left, the crews of the locomotive and train attempted to render necessary assistance to the injured, but the armed guards accompanying the train prevented them from leaving the cars until daylight, thus delaying first aid to the victims. The guards also took away the telephone from the chief conductor of the train, who established connection with the administration of the railroad, thus handicapping the railway administration in obtaining timely information and establishing communications with the scene of disaster.

Japan and Soviets Draw Closer Together

DIPLOMATIC negotiations seeking the assurance of permanent peace between Japan and Soviet Russia will be undertaken following the settlement of the Chinese Eastern Railway sale to Manchukuo which is now expected in October, according to information in official quarters current in Tokyo Sept. 24. The Foreign Minister Hirota will propose the establishment of a joint Japan-Manchukuo-Russia Border Commission with power to adjudicate various disputes and questions which arise on the frontier. This was proposed once before by Count Uchida, former Foreign Minister, in December, 1932, and at that time the Soviet Government agreed to the fundamental idea. It is said that Mr. Hirota will negotiate with M. Yurenev, Soviet Ambassador to Japan, with regard to this proposal in November. In addition, the Foreign Minister is reported to be considering plans for establishment of a demilitarized zone on the Manchukuo-Russia frontier which will also be submitted to the Soviet Government after the C.E.R. sale is concluded.

Japanese Say C.E.R. Transfer Means Recognition of Manchukuo

The Japanese take the viewpoint that formal transfer of the railway to that state will actually be tantamount to recognition of Manchukuo. The actual transfer of ownership will probably take place during October.

Basic Points of the Agreement

Although details of the arrangement for the sale of the Chinese Eastern railway, arrived at after long protracted and frequently disrupted negotiations have not been revealed, the basic points of the agreement are reported to be as follows:

1. The actual price of the railroad is to be Yen 140,000,000, (mostly represented by shipments of goods) plus Yen 30,000,000 to cover the retirement fund of Soviet employees of the line.

2. Complete possession of the railroad will rest with Manchukuo immeditaely after the signing of the formal agreement, which is expected late in October.

3. A joint commission will be set up to arrange the technicalities of the transfer.

4. The terms of the sale are to be one-third cash, to be paid in installments spread over three years, and the remainder in goods consisting of foodstuffs, engineering products, ships and railroad supplies.

5. All Soviet employees of the railroad will retire within six months of the transfer.

6. The Soviet Union is to assume full responsibility for all debts contracted after March 9, 1917, and up to the date of the transfer. Should the United States press her claim for repayment of a loan made in 1917 for the purposes of transporting troops during the Siberian expedition, negotiations must be conducted by the Soviet Union.

It is further understood that the joint committee to supervise the transfer is to be appointed one month after the signature of the agreement of sale.

Manchukuo, it is learned, expects to finance the cash payments through the flotation of bonds, while it is possible that the South Manchuria Railway may assist with an additional bond issue.

Station Master at Pogranichnaya Arrested

According to the *Harbin Times*, Soviet employees of the Chinese Eastern Railway at Pogranichnaya coupled a third-class railway coach to a Soviet train bound for Vladivostok. Manchukuo Government authorities then arrested the station-master at Pogranichanaya, a man named Nazarenko, as the responsible official in this alleged attempt to evacuate Chinese Eastern Railway rolling stock to the U.S.S.R.

Further Arrests of C.E.R. Employees in Manchuria

According to *Tass* reports from Harbin, arrests and searches of Soviet employees of the C.E.R. continue. Recently twelve more workers and employees of the railway were arrested at several railway stations.

Japanese (Manchukuo) to Place 600 Extra Police Along C. E. R. Eastern Line

Six hundred extra police will be stationed along the Eastern Branch of the Chinese Eastern Railway to prevent further bandit attacks on that section of the railway, the Manchoukuo authorities announced at Harbin Sept. 20. Large detachments will be kept in readiness at Immienpo, Muling and Mutangkiang so as to be able to rush to any point on the line to disperse any threatening group of marauders, the officials added.

Soviet Ice Breaker Makes Record Arctic Trip

Crossing from Vladivostock to Murmansk on the White Sea in 83 days, the Soviet icebreaker *Lidtke* last week completed for the first time in the history of navigation a direct voyage from East to West via the Arctic route in a single season.

Who's Who in China

Dr. Chang Liang-yen, author, University professor and Government official; born at Pinghu, Chekiang, 1905; after completing his middle school education, he entered Tungchi Univresity to study German and in 1925 went to Germany to attend the Berlin University, studying Ecconomics and Law; in 1929 he passed the State-Examination and received the Diplom - Vollswirt degree, a degree which was conferred for the first time on a Chinese student by the Berlin University; while in Germany he contributed articles to various leading Berlin newspapers, and received in 1931 the Dr. rer.pol. degree from the Berlin University; appointed technical adviser of the Chinese Delegation to the 16th International Labor Conference in Geneva 1931; when the Mukden Incident broke out, be delivered many speeches at the request of the various German associations against the Japanese attack in Manchuria; later he toured the different countries in Europe to study political and economic conditions; upon his return to China, he was appointed a professor at the National Central University and served concurrently in the Ministry of Communications as an advisor on juridical matters; expert member of the Rural Rehabilitation Commission; member of the Examination Committee of the 2nd High Civil Service Examination in 1933 and one of the Examiners of the Accounting Examination of the Ministry of Communications 1934; compiler and editor of the Bureau of Compilation and Translation of the Ministry of Education; author of numerous books and articles in various languages, the best known of which are: "The Shnaghai Gold Exchange" in German, "The Business Cycles" in Chinese, published by the Commercial Press Ltd.; address: Ministry of Communications or National Central University, Nanking.

張 樑 任

Dr. Chang Liang-yen (Chang Liang-yen)

張樑任，浙江平湖人，生于西歷一九〇五年。中學畢業後，進同濟大學攻德文凡二年。一九二五年赴德，專攻經濟法律；一九二九年，應國家考試榮受「德政府特許經濟專家」學位，華人之在柏林大學得此銜者，以張君爲第一人。一九三一年得柏林大學政治學博士學位，同年被國民政府簡派爲第十六屆國際勞工大會中國政府代表顧問，前往參加在日內瓦舉行之勞工大會。東省事變，張君應德國公私團體之請前往講演，甚得德人之同情，後卽週游歐洲，凡經十三國，作經濟及政治之實地考察。歸國後，歷任考試院二屆高考襄試委員，交通部會計人員考試襄試委員，現任國立中大學授，交通部法規委員兼郵政組主任，行政院院農村復興會專門委員，教育部國立編譯館特約編審等職。張君譯著宏富，德文著作中之最要者爲「上海金業交易所」，一書，中文則有「景氣學」及「資本主義之將來」等書。

CUSTOMS NOTIFICATION NO. 1385

The public is hereby notified that the Government have authorized the addition of certain war gases, explosives etc. to the existing List of Contraband, Prohibited and Restricted Articles and that in consequence the importation from abroad or movement within China of the following materials (no matter how small the quantities involved) is henceforth prohibited unless covered by National Government Huchao, viz.:—

(a) Gases:

Phosgene;	Chloropicrin;
Chlorine (*vide* note below);	Aromatic arsines (Adamsite etc.);
Bromine;	
Cyanogen bromide;	Allyl-isothiocyanate;
Bromoacetone (tear gas);	Mustard gas
	and all other war gases.

(N. B.—Chlorine may be imported without any restriction provided satisfactory evidence is produced to show that it is solely for use by local waterworks in the purification of water.)

(b) Prepared explosives:

Trinitro-toluene (T. N. T.);	Trinitrophenylmethylnitroamine (Tetryl)
Gun-cotton;	and other trinitro- and
Hexanitro-diphenylamine;	higher nitro-organic compounds.

(N. B.—Picric acid, formerly classed as an explosive material, is transferred to this heading, and the production of Ts'ai-chêng Pu Yüntan (hitherto required in addition to the Huchao) will in future not be necessary.)

(c) Explosive materials:
Barium nitrate;
Strontium nitrate
and all acetylides, azides, fulminates, picrates, chlorates (excluding potassium chlorate), perchlorates (excluding potassium perchlorate).

(N. B.—Oil of mirbane, already classed as an explosive material, is transferred to this heading, and the production of Ts'ai-chêng Pu Yüntan (hitherto required in addition to the Huchao) will in future not be necessary.)

Explosive materials will in future, therefore, fall into two classes; those which must be covered by Huchao only, and those for which Ts'ai-chêng Pu Yüntan is required in addition. To the former class belong the materials listed in (c) above, and to the latter belong those classed as "sulphur, saltpetre and similar explosive materials," *i. e.*:—

Saltpetre (potassium nitrate).	Potassium chlorate.
Chile saltpetre (sodium nitrate).	Potassium perchlorate.
Lime saltpetre (calcium nitrate).	Nitric acid.
Norge saltpetre (basic calcium nitrate).	Sulphuric acid.
Sulphur.	Phosphorus (red, white and yellow).
Potassium chloride (muriate of potash).	Nitrate of ammonia.

(N. B.—Fertiliser containing 85 per cent. or under of muriate of potash may be imported without restriction as an ordinary article of commerce, provided it is intended for use only as a fertiliser.)

These regulations are effective as from the 19th September, 1934; but no restriction will be enforced on the importation of gases and explosive materials (excluding oil of mirbane) listed in (a) and (c) above, if proof is forthcoming to show that they were ordered from abroad prior to the issue of this Notification.

H. O. Tong,
Superintendent of Customs.
A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 21st September, 1934.

Men and Events

The first squadron of the Japanese Combined Fleet has arrived at Tsingtao and the second squadron at Chefoo.

Capt. R. M. J. Martin, Extra-Commissioner of the Shanghai Municipal Police, is retiring after 29 years of service.

Eric Dudley Thunder, bankrupt British exchange broker in Peiping, was arrested Sept. 26 on a charge of fraudulent conversion.

L. T. Wang, a Chinese journalist who has been in Geneva for several years, has been elected a member of the committee of the International Press Association.

Nelson T. Johnson, United States minister in China, will leave for the United States on October 9, on the *President Hoover*. Mr. Johnson is going on a furlough.

John R. Morris, Far East manager for the *United Press*, has returned to Shanghai after a fortnight spent in Japan. He expects to proceed to Tientsin and Peiping later.

Mei Lan-fang, foremost woman impersonator on the Chinese stage, was host at a dinner given in honor of Dimitri Bogomoloff, Russian ambassador to China, in Shanghai, Sept. 20.

Advices received during the week from Chungking state that missionaries have evacuated Paoning, about 250 miles north of Chungking, owing to a communist threat against the town.

Guido Auster, speaking before the Congress of European Buddhists which opened in London Sept. 24 said, "Nothing is more contrary to German nature than humility as preached by Christ."

Joseph C. Grew, United States Ambassador to Japan, and Mrs. Grew, visited their daughter, Mrs. Cecil B. Lyon, wife of the third secretary of the American Legation there, during the week.

Abbot Chao Kung, better known as Trebitsch Lincoln, is in Hangchow delivering lectures at Buddhist temples on the subject of Buddhism. He is accompanied by seven other foreign Buddhist monks and nuns.

Sir Frederick Whyte, former president of the Indian Legislative Assembly and adviser to the Nanking government who has been on a brief visit to China and Manchukuo, departed during the week for England.

A Japanese company in Takao, Formosa, has announced that with the encouragement of the Takao City fathers it will begin to can Formosan buffalo meat. Fats from Argentine are to be added to make the buffalo meat more palatable.

Two strikers were killed and four policemen and six strikers were injured in Manila Sept. 17 when 1,000 rioters attempted to break into the gates of the Minerva Cigar Factory, bringing to a climax a month-long strike of Manila cigar makers.

In revising the budget of Greater Shanghai, the National Government has decreed that the recently announced increased tax and surtax on all kinds of vehicles should be abolished in adherence with the government stand against superfluous taxes.

The Chinese naval launch *Hai Tsuin* sank Sept. 19 as it was leaving Weihaiwei Island for the mainland with 200 Chinese bluejackets aboard. The boat was overcrowded; it capsized near the iron pier of the Island. A British gunboat anchored near-by and a motor-boat picked up about 150 survivors.

Additional types of war gases and explosives have been included in the list of contraband to China as from September 15, according to a Customs Notification. Unless the consignments are made with proper authorization, they will be confiscated by the Customs. Details are contained in an Official Notification.

U. S. Secretary of Agriculture Wallace is sending two plant experts to the Gobi desert to choose grasses and shrubs to be cultivated in the dry areas of the United States. The experts will be accompanied by Nicholas Constantin Roerich, a Russian-born painter, who made a tour of Central Asia 1924-1929, painting as he went.

Gordon E. L. Liu and Miss Molli P. K. Fung were married at the American Presbyterian Church in Tsingtao, Sept. 9, by the Rev. C. Van Deusen in the presence of a fashionable gathering. The groom is connected with the Chinese Maritime Customs service. The couple are spending their honeymoon at Laoshan and Tsinan.

A Chinese trade mission consisting of James L. Holbrook and Y. C. Ma, representatives of the China Export Industries Direct Factory Distributors of Chinese Products, which represents 97 Chinese manufacturers and over 2000 lines of merchandises, recently arrived in Singapore to "drum up" trade for China in the Malay Peninsula.

Dr. Wellington Koo, Chinese Minister to France, was the guest of honour at a dinner at the Chinese Chamber of Commerce in Shanghai Sept. 23 given jointly by fourteen public organizations, including the Chamber. Yue Ping-tso, Chairman of the Chamber of Commerce, commended Dr. Koo for his services abroad, and Dr. Koo responded.

Dr. C. T. Wang gave a dinner party in Shanghai Sept. 24 to the Yale Alumni in honor of Dr. C. H. Wang, eminent Chinese jurist attached to the International Court at the Hague. The following committee was elected for the ensuing year: Edward H. Hume, president; Y. S. Tsao, and John F. Stevens, Jr., vice-presidents; H. W. Tan, secretary; and C. H. Wang, treasurer.

The China Federation of the Chambers of Commerce recently sent a petition to Nanking urging registration of all foreign factories in China and the imposition of a special duty on products from such factories and asking the Ministry of Industry "to take effective measures to prevent foreign factories in China from getting foreign workers, and to prevent foreign workers from coming to China."

The big seagoing yacht *Zaca*, owned and commanded by Templeton Crocker, wealthy San Franciscan, is being prepared to carry a scientific expedition from San Francisco to Easter Island, the remote outpost of Polynesian civilization in the South Seas. This year's expedition, the third on which the *Zaca* has taken groups of naturalists to little known islands of the Pacific, has been arranged by the American Museum of Natural History.

The most audacious crime in the long calendar of Chinese crime occurred in broad daylight Sept. 26 when four armed Chinese entered the Lester Hospital, assassinated a patient lying in a crowded ward, then killed a Chinese detective who attempted to arrest them, and finally killed a Chinese constable from the French Concession whom they encountered as they fled. The patient was in the hospital as the result of a previous attack, evidently the work of the same gang.

The following "hot one" appears in Arthur Brisbane's "To-Day":—"Rudolf Hess, chosen to succeed Hitler, if the Lord should take the chancellor, warns members of the Nazi party not to employ Jewish lawyers or recommend any Jew for official or other positions, and *Nazi party members must not associate publicly with Jews.* That should suit self-respecting Jews, if some of the things that Chancellor Hitler said concerning the moral character of Nazis, recently executed by his order, are true."

The *Osaka Mainichi* printed a long story Sept. 16, with the following headings: "Japanese Gets Muddled Brain on Trip: Mysterious Filipino Girl Behind Case? Sydney Man Coming Home Meets Charming Woman During Voyage and they Land in Shanghai; Man's Head Is Wrong Since." That tells pretty nearly the whole story, except this: He had approximately Yen 5,000 when he left Sydney, but on reaching Kobe he had practically nothing. The man in the case was Kakusaboro Makumoto, 56-year old merchant who was making his first trip to Japan in years. The name of the woman was not given.

Sir Frederick Maze Returns to London on Extended Leave

Sir Frederick Maze, Inspector General of Customs, while on his way back to China, received advices last week in Quebec, Canada, from the Nanking Government that his vacation had been extended. He has in the meantime returned to England. No official explanation was given, but it is stated in well-informed circles that he will investigate the problem that has arisen in connection with the steady drain of silver from China.

The "Self-Striking" French Clock Which Doesn't Run Any More

A correspondent writes:—"The more than half-century old French Municipal building, in Shanghai, recently vacated, although still serving as a police post, is known by the Chinese as Tah Tse Ming Chung, that is, the "Place of the Self Striking Clock. As a matter of fact the large clock in the cupola has not been striking for many years, but the Chinese still call it by the old name. Now, in addition, the clock has also stopped running and has been left standing with the hand pointing to 3:24—to the great annoyance of that large body of the public who has been depending on it for the time. The French Municipality would be well advised either to remove the clock or to keep it going."

Confucianism Versus Communism

Commenting on Paul K. Whang's article which appeared in The Review Sept. 8 on Confucius, the Japan Chronicle comments:

"Mr. Whang says that outward observance without the inward spirit is merly a form of idolatry, and can never rehabilitate China. But perhaps it is not expected to do so. If a philosophy whose corner-stone is monarchism is being encouraged, we may look in due time for the corner-stone itself. There have been rumors. Besides, everything must be done to save the land from Communism!"

Nine Vladivostock Refugees Are Deported by Chinese Authorities

The fate of the nine Russian refugees from Vladivostock who made a spectacular escape from Vladivostock last month on a steam launch, which temporarily came to grief on Quelpart Island, was sealed early on the morning of Sept. 23, when the Chinese Public Safety Bureau placed them on board a Soviet vessel outside Chinese jurisdiction near Woosung, (ocean port for Shanghai). Ever since their arrival the local Soviet authorities had urged upon the Chinese government reasons why the eight men and one women in the party should be deported to Vladivostock. The head of the party, one Besoloff, originally represented himself to be an American citizen. The Soviet steamer *Kama* made a special stop outside Woosung to take the refugees on board.

According to the charges against them by the Soviet Government, Besoloff, was said to be connected with the Soviet secret police formerly. He boarded the steam launch at Vladivostok with his wife, presenting himself to the crew as the vice-captain. The craft, with a fishing boat in tow, put to sea. While the launch was well out from the shore, a fight occurred during which several loyal members of the crew are alleged to have been killed and their bodies thrown overboard, and the fishing boat sunk. The captain of the launch was not on board, when the launch sailed from Vladivostok. Having thus cleared his way, it was said, Besoloff set a course for Shanghai. While off Quelpart Island, the launch was disabled by heavy storms. For two days, the party drifted in the battered craft and were finally rescued by inhabitants on the island. After the necessary repairs to the launch, the voyage to Shanghai was resumed, the group arriving here sfaely. During the investigations by the Chinese police, some of the refugees were reported to have confessed to the authorities their part in the killing of several members of the loyal crew in the launch. They are to face murder charges in Vladivostok.

Banned Shanghai Newspapers Delivered in Nanking Through Agencies

Despite the postal ban on the *China Times* and the *China Press*, copies of the two Shanghai dailies have again been delivered since September 21. Subscribers in Nanking to morning newspapers by mail usually get their copies about 6 o'clock in the afternoon. Most of the Nanking readers of Shanghai morning newspapers, however, obtain their copies through delivery agencies. These agencies are very well organized. Copies of Shanghai morning newspapers are put on the morning train from Shanghai. These agencies have special trucks at the Hsiakwan railway station and after sorting the newspapers out at the railway station, these trucks carry the newspapers to important distribution centres at Drum Tower and Chi Wan Chieh, where delivery boys get their copies and deliver them to the various subscribers on bicycles. The Shanghai morning newspapers can thus be delivered to their subscribers in Nanking at 4 o'clock in the afternoon, or roughly two hours ahead of the Post Office. The cost to the subscriber is somewhat higher, but the indications are that many readers will prefer to continue to get their papers this way rather than through the post office, even though the ban should be lifted.

THE SMILE OF HEALTH.

Perfect health reflected in a bright smiling face: there would be many more such faces if people only took the trouble to ensure daily regularity, for one of the essentials of good health lies in the regular elimination of waste matter from the system.

PINKETTES

The tiny laxative pilules, ensure daily regularity: they aid digestion, tone up the liver, prevent biliousness, sick headaches, pimples and boils, ensure pure breath. An occasional dose will

KEEP YOU WELL.

In the United States Court for China

In re. Estate of CARL ALFRED NAHMMACHER, Deceased	Cause No. 3720 Special Proceedings No. 989 NOTICE Filed at Shanghai, China, September 14, 1934. Sgd. William T. Collins, Clerk. by L. T. Kenake, Asst. clerk.

Pursuant to an Order of said Court notice is given to all persons having claims against the estate of CARL ALFRED NAHMMACHER, deceased, to present the same with vouchers to the undersigned on or before the 22nd day of February, 1935, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

MRS. W. E. NAHMMACHER,
Administratrix
c/o Messrs. Allman & Co.,
Hamilton House,
Shanghai.

Complete History of the Kuramoto Incident

Most bizarre happening in Far Eastern diplomatic annals. Eimei Kuramoto, Japanese vice-consul, stationed at Nanking, disappeared. Japan, without investigating accused China of responsibility. Warships were ordered to Nanking, tanks and armored cars rumbled through the streets of Shanghai.

But in the midst of the warlike preparations and ultimatums, Kuramoto came back to life. He had become despondent at his failure to receive promotion and had gone out on Purple Mountain to commit suicide. Losing his courage, he emerged from his hiding place and turned an international incident and possible tragedy into a comedy.

Read this 72-page book for a real insight into Japanese military-diplomacy. It was a similar incident which precipitated the Japanese seizure of Manchuria in 1931.

Price 60-cts., including postage. Order a copy today.

CHINA WEEKLY REVIEW
160 Avenue Edward VII
Shanghai

New Books of Interest in the Far East

The Causes of War

The Causes of War, economic, industrial, racial, religious, scientific, and political, by Sir Arthur Salter, Sir. J. Arthur Thomson and others, edited by Arthur Perritt. New York, Macmillan, 1932. 235 pages.

Far Easterners, when taking up this book, will most likely first read the chapter on Economic Occasions of Conflict in the Far East, written by W. I. Hinton, and, it must plainly be said, most disappointing. Too short, if one considers the importance of this part of the world for the question of peace or war not only among the nations directly affected; very superficial though one might well agree with the author's thesis that "Japan has a problem of withdrawal to face some time in the future, and this is likely to lead to conflict," while his lack of real insight is shown by the following: "Since her acquisition of the South-Manchurian Railway Japan has halted between two opinions. In 1915 she took the high hand and advanced on the road to making Manchuria a protectorate. In 1921-22 the opposite party was in the ascendant, and in their Washington policy attempted to undo the harm of the Twenty-one Demands . . . . Obviously the only hope for peace in the Far East is in movements which strengthen both goodwill and understanding, and of these the former is perhaps the more essential, as it makes the latter possible. In this task the religious leaders may do much to help."

The Reports forming this book were, it may be pointed out, written for the Executive Committee of the World Conference for International Peace through Religion, and apparently such idealistic organizations tend to exert a weakening influence on those called to act for them as experts in their special fields. To give but one more example: Sir Arthur Salter writes that, while in Europe the political factors still count more in the immediate prospects of war and peace, "in the present crisis in the Far East the underlying cause is obviously economic. Japan, with her surplus population penned in by restrictions on migration and impeded in her foreign trade, has reached a mood of desperation."—We rather doubt whether Sir Arthur's explanation can be regarded as sufficient and satisfactory.

J. P. T.

Charles Algernon Swinburne

Swinburne's Literary Career and Fame by Clyde Kenneth Hyder, Copyright Duke University Press—1933, *Durham, N.C.*

In Swinburne's Literary Career and Fame" by Clyde Kenneth Hyder the author has covered in a scholarly, exhaustive and sympathetic manner the works of Charles Algernon Swinburne. He by no means ignores the attacks which were made by critics, especially during the early part of the poet's life but shows how with the passing of the years the criticisms became much less pronounced and severe. However, the reviewer, on the whole found the volume dull and uninteresting.

As an indication of the esteem in which he was held by his contemporaneous writers it may be observed that in 1895 out of 19 writers 12 selected Swinburne as their choice for the poet Laureateship. As the author aptly remarks "as a great lyric poet, in spite of singular limitations, Swinburne is sure of that immortality destined for those shining ones whose names are cherished for their creation of beauty."

J. W. C.

"Far East Magazine"

The latest addition to the rather crowded field of journalism in Shanghai is *Far Eastern Magazine*, the editors of which are W. Bartels and W. H. M. Taylor. The first (September) issue covers the field which it has mapped out for itself—industrial, commercial and political—in a very creditable manner. Mr. Bartels, it may be mentioned, is a German who recently arrived here from Tientsin, where he has been conducting a German daily newspaper, *Deutsch-Chinesische Nachrichten*, very successfully for many years. The new journal is replete with valauable matter, is printed on excellent paper, and starts its career with a considerable number of advertisements. The illustrations are exceptionally good. The Shanghai office is at 505 Honan road.

Capt. Gillis Completes Index to Ancient Chinese Classics

A convenient instrument for the scientific study of the ancient Chinese classics, the "Title Index to the *Ssu Ku Chuan Shu*," has been completed by Captain I. Y. Gillis, resident representative in Peiping of the Gest Chinese Research Library, McGill University, Montreal, and the library of the University of Toronto. Captain Gillis, who has been a resident in Peiping since 1910, compiled the voluminous index with the assistance of P. Y. Yu.

Wellington Koo Discusses Future of Pacific

Dr. Wellington Koo, Minister to France, made the principal address at the celebration of Balboa Day at the Cathay Hotel in Shanghai Sept. 25. The meeting was held by the Pan-Pacific Association, presided over by Dr. C. T. Wang.

Dr. Koo, in the course of his speech, said:

"It was not very long ago when a round trip across the Pacific in a sailing schooner—the only available craft at the time—took a year's time. As travel was then a hardship, few people of the Occident cared to visit the Orient. The absence of any means of communication except by letter made contact slow and left them little informed of one another. But the ingenuities of science have given us better means of locomotion and communication. With the introduction of steam and electricity, distance has been curtailed to a phenomenal degree. People who are in a hurry can now make a round trip between Shanghai and New York in six weeks, while a constant flow of information between them passes over the cables and through the radio every day. Trade, too, has as a result increased in volume and multiplied in value. Whereas the entire amount of trade borne over the Pacific was in millions of dollars, now it can only be calculated in billions of dollars. With the growth and development of trade and travel, there has been going on an increasing exchange of knowledge and ideas essential to good understanding between peoples and nations. For the peoples of this Pacific area, the vast ocean has become a bridge instead of a barrier. It has become a new connecting link between the Occident and Orient, a meeting ground of the different civilizations and cultures, each having its merits and distinct features, but all representing the genius and achievement of the people who own them and capable of enriching one another.

"If what I have just described were the only outcome of the gradual coming closer together of the peoples of the Pacific area, we could certainly look forward to the future of the Pacific with confidence and serenity. But along with this development of more intimate contact, there has developed a rivalry between some of them which no thoughtful student of international affairs could overlook. Whether it is a rivalry for political acsendency, economical advantage or strategical position, it is equally real and disquieting. Different concepts of national greatness have given rise to a conflict of national policies. Already in one part of the Pacific region sombre clouds are hovering on the international horizon which cause anxiety to the statesmen of the world. The lengthy discussions of the World Disarmament Conference have not checked the rapid increase of armaments by two great military Powers in the Far East, while the advent of the Third Naval Limitation Conference has so far only served to hasten the building up of two great navies in the Pacific. Moreover, the past three years have witnessed a flagrant infringement of the territorial integrity of my country which remains a most serious outstanding question to be settled. In short the political atmosphere of the Pacific is far from wholesome.

"Here then is the situation as regards the Pacific area: On one hand the rapid growth of trade and intercourse and increasing interchange of knowledge and ideas among the peoples of the Pacific area warrant a bright outlook on the future; and on the other the evident conflict of national interests and aspirations, if not checked in time, can only lead to a conflict of arms in the end. Indeed, the destiny of the Pacific, in my view, is now at its cross-roads. Whether the next few years will be an era of peaceful progress for the Pacific, or see it become the arena of a sanguinary conflict is and must be a question of vital interest to all the peoples living in the bordering territories. The peace of the Pacific is at stake. No single Power can succeed in preserving it, whatever claim it may make and however strong it may be. For with the peace of the Pacific there is involved a great principle in international life and intercourse. It is this: Shall might be allowed to prevail? It is only by co-operation and conciliation on the basis of justice to and right to all, only by the rule of reason and never by the arbitrament of force can the peace of the Pacific be successfully preserved."

Chinese Girl Wins First Prize at Conservatoire Royal de Bruxelles

Miss Hsiao Shu Hsien, niece of Dr. Hsiao Yiu Mei, director of the National Musical Conservatory, and niece of Dr. Wang Shih Chieh, the Minister of Education, has won this year at the Conservatoire Royal De Bruxelles a second prize of Advanced Harmony, a first prize with distinction for the Counterpoint and a Mention for the Fugue. Miss Hsiao comes from a musical family. Her uncle Dr. Hsiao Yiu Mei, from the Leipzig Music Conservatory, gave her early instruction in Peiping. Graduated with a diploma from the Music School of the University of Peiping, she came to Shanghai to further her experiences. She continued her piano study with some Russian artists and later with Maestro Paci. Miss Hsiao entered the Conservatoire Royal de Bruxelles in 1930.

American Naval Planes to Fly from S. F. to Philippines

Encouraged by the complete success of the flight of its planes from San Francisco to Hawaii last January, the American Navy, has decided to dispatch about a dozen airplanes on a formation flight from San Francisco to the Philippines, a distance of 6,000 miles. The ships will be of the type used in the San Francisco-Hawaii flight. The crew is to be selected from San Diego naval aviators, and the venture may be made late in November or early in December of this year, depending on weather conditions.

The planes will first cover the 2,100 miles betwwen San Francisco and Hawaii. Probably the identical airplanes used in the flight to Hawaii will participate.

Luft-Hansa Junkers Plane Makes Record Run

The huge Luft-Hansa tri-motor Junkers Ju 59 plane made the trip from Shanghai to Kiukiang Sept. 20 in the record time of 2½ hours. The plane returned to Shanghai later in the day with Wang Ching-wei, president of the Executive Yuan, and his staff, and Sun Fo, president of the Legislative Yuan, among the passengers.

Japanese Naval Planes Make Spectacular Flight to Changchun

A spectacular formation flight to the capital of Manchukuo was staged Sept. 20 by naval airplanes attached to the Japanese Combined Fleet then visiting Dairen. Leaving their motor ships early the morning, about 40 planes arrived at Changchun at 1:45 p.m. After flying around the city, Captain Tsukahara, leader of the flight, dropped a message addressed to the Minister of the Imperial Household, paying the air squadron's respects to the Emperor of Manchukuo. Officers of the flying squadron were later received in audience by Emperor Kang Teh and a reception was given them in their honor.

Japanese Newspapers Explain Why Aerial Expansion Is Needed

The prominent Tokyo newspaper *Nichi Nichi* comments:—"Aircraft expansion is the order of the day throughout the world. Not to be caught unawares, the navy has been bending efforts toward improvement of its flying service. It is proceeding with its first and second programs for expansion of the flying arm. The army, determined that its flying service be up to date, is going to ask for an appropriation for replenishment of its service in the budget for the next fiscal year. The original mission of military planes was scouting. Battle planes developed as a means of protecting planes of the enemy. Some planes took part in engagements on land when this was found necessary or were used for transportation of troops and munitions. There were cases where planes attacked important points in the neighborhood of the place where a land engagement was going on. But this was an exception. In those days, when the possibilities of fighting aircraft were not sufficiently realized, service planes were regarded as an auxiliary of the army and the navy in actual hostilities. Japan has hitherto been in a more advantageous position than Britain from the point of view of defense, but of

Baby's Own Tablets. A Great Remedy

A great remedy for all childhood ailments, constipation, diarrhoea, indigestion, feverishness, stomachache, colds and croup, to expel, worms, and relieve the pains of teething, is Baby's Own Tablets.

Devised by a doctor, who for many years made a special study of children and their ailments, Baby's Own Tablets are as safe to give to infants in arms as to children up to seven years of age.

The tablets are guaranteed free from any harmful ingredient and their mild laxative action is neither griping nor purging in its effect.

By gently cleansing the stomach and bowel, Baby's Own Tablets ensure that the child derives the full nourishment from its food and thereby assist in the building of a strong sturdy frame.

Many of the minor ailments of children are the result of some stomach disorder, which can usually easily be corrected by a dose of Baby's Own Tablets. Keep a vial of this ideal children's health-safeguard always in the home and you will be ready with a remedy for the immediate treatment of any minor health trouble which may befall your little ones. Baby's Own Tablets are obtainable at all chemists.

In the United States Court for China

ALMA ROBINSON Plaintiff, vs. LESLIE E. ROBINSON Defendant.	Cause No. 3735 Civil No. 1716 ORDER Filed at Shanghai, China, September 7, 1934. William T. Collins, Clerk. by L. T. Kenake, Asst. Clerk.

The object of this suit is an action for Divorce

WHEREAS, plaintiff herein, by her attorneys, has this 7th day of September, 1934, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 7th day of September, 1934, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 7th day of September, 1934, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since six months, and that defendant's last known address was 7 Pacific Gardens, Shanghai, China.

NOW, THEREFORE, it is this 7th day of September, 1934, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 29th day of September, 1934, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 7th day of September, 1934.

MILTON J. HELMICK,

Judge.

JAPAN

AND THE CRISIS OF 1935-1936

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THE CHINA WEEKLY REVIEW

160 Ave. Edward VII.
Shanghai.

late there has been a diminution in this advantage. The development of aircraft has led to a situation in which Japan is in danger of aerial attack. On the other hand, it is impossible for Japan to hope to attack strategic points in countries with which it has special relations, such as the United States, Britain and the U.S.S.R., excepting China. This causes us to doubt whether it is good to model flying in this country on that in said foreign countries."

Japanese Navy to Have New Air Field

Work is soon to begin on a naval air field in the neighborhood of the River Takasu, west of the town of Kanoya, on a large tract of land recently purchased by the Japanese Navy. The air field will be one of the series of five provided for in the second replenishment program of the Navy.

Japan Will Demand "Global Tonnage" at London Naval Talks

Japan will demand global tonnage as a reduction formula though the exact amount of such tonnage will be proposed at next year's naval conference and not during the coming month's naval conversations in London, Admiral Osumi, Japanese Navy Minister, Sept. 17 indicated in an interview with members of the Tokyo House of Peers. Before leaving for Changchun, Admiral Suetsugu laid stress on the importance of the Japanese Navy, saying that Manchuria and disarmament questions were indissolubly linked. An explanation of Japan's naval policy vis-a-vis next year's naval conference was jointly submitted to the Privy Council by Koki Hirota, Foreign Minister, and Admiral Osumi, Navy Minister, a Foreign Office spokesman meanwhile denying any move in the direction of a Japanese-Anglo-American peace pact.

The Japanese Government will announce the abrogation of the Washington Treaty by the end of this year, if the London preliminary conversations bring no desired results, Koki Hirotal Foreign Minister, and Admiral Mineo Osumi, Navy Ministers informed the Privy Council Sept. 19. The two Ministers, however, told the Council that they viewed the prospects of agreement at the Naval Conference without pessimism, despite the nationalistic tendencies of the world Powers.

Dr. Kung's Statement Refuting Arms Canard Confirmed in Washington

Confirmation was given from Washington Sept. 20 of the statement made by Dr. H. H. Kung last week that China was using the U. S. cotton and wheat loans for constructive purposes. It had been alleged that they were being used to purchase ammunition. When interviewed, Dr. Alfred Sze, Chinese Minister to Washington, stated that he had emphatically denied in official quarters that China had made any such misuse of the funds of the wheat and cotton loan. "I have been informed by the State Department," the Minister went on, "that Senator Nye's statement about China was not made before the Senate Committee but privately to the press." Dr. Sze pointed out that the only evidence concerning China which had been given before the Senate Committee was given by F. Love of the United Aircraft Company and his evidence refuted the charges that had been made by Senator Nye. Mr. Love had been asked by Senator Nye whether any funds of the loan had been used by China to purchase aircraft from the United Aircraft company and Mr. Love replied in the negative. "China has been and is observing the terms of the loan agreement very scrupulously," concluded Dr. Sze. Inquiries made in official American circles in Washington by *Reuter's* correspondent indicated clearly that there is believed to be no basis in fact for the charges against China and general regret was expressed over the irresponsibility of the remarks made to the press. It may be mentioned, in passing, that the original tale was spread by Japanese in Washington.

Alaska to Figure in Next U. S. Maneuvers

Next summer's naval maneuvers have been arranged to take place in the Pacific, between Alaska, the Puget Sound and Hawaii. In an announcement Sept. 19, U. S. Secretary of the Navy Claude Swanson said that the exercises would simulate actual war conditions to the utmost. The real purpose, however, he added, was to repel an attack if necessary.

"Harmful effects" on the future of naval disarmament will result from the projected American naval maneuvers in the Pacific, if these are designed to impress Japan with the United States' sea might, a spokesman for the Japanese Navy declared in Tokyo Sept. 21 in commenting on the official announcement of Claude A. Swanson, United States Secretary of the Navy, describing the war maneuvers to be held next summer. The maneuvers will take place in a triangular area connecting Dutch Harbor, Alaska, Pearl Harbor, Hawaii and Puget Sound, Wash. The United States fleet, transferred to the Atlantic early this summer is scheduled to return to San Pedro, Calif., by the end of this month.

Japan's Huge Imports of War Material

Japan figured largely in the Sept. 21 hearing before the Senate munitions enquiry committee. Mr. Tupper, chief of the Foreign Trade Statistics Department of the Chamber of Commerce, gave evidence of enormous increases in the purchases by Japan of materials usable for war purposes. He declared that Japan bought three bales of cotton linters in 1929 and 10,000 in 1933, while her purchases of scrap-iron and steel totalled 48,036 tons in 1931 and over half a million tons in the first six months of 1934. Mr. Tupper also said that there were large increases in American exports of cotton linters, cotton seed, fiber, airplane engines and sodium nitrate to Germany.

China Makes Formal Request for Names of "Commission" Receivers

Acting on instructions from Gen. Chiang Kai-shek and Wang Ching-wei, Dr. Sao-ke Alfred Sze made a formal request in Washington last week for the names of Chinese who were alleged in evidence before the Senate arms investigation committee to have received "commissions." The Committee announced Sept. 22 that they would give Ambassadors and Ministers full details of the evidence given before the Committee involving highly-placed nationals of their respective countries in allegedly questionable munitions deals. The Committee added that they had not received any request from China, but that the information would be furnished if requested. China's request for information was made by the Chinese Minister in Washington to the State Department and not to the Committee, the committee pointed out.

Senate Committee Favors Strict Regulation of Arms Traff

It is the unanimous conviction of the members of the U. S. Senate Special Committee investigating arms and munitions sales that a strict regulation by the government of arms manufacturing, or even a governmental monopoly of this trade, should be established.

Senate Committee Adjourns

The Senate arms investigation committee has adjourned until the end of November.

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Senator Nye's Baseless Charges

The *China Press* comments:—"The revelation that Senator Nye is solely responsible for the libel on China lends weight to the suggestion made in these columns a few days ago that evidence concerning other countries should be held in camera. Much more necessary is it that chairmen of Senate committees should be chosen for their discretion and sense of responsibility. A Senate committee has many of the powers of a regular court of justice. It also has many of the responsibilities. Senator Nye showed an utter disregard of these responsibilities when he privately communicated to the press a statement libelling China based, not upon evidence, but some unfounded suspicion of his own."

Kiangsu Commences Four-Year Opium Suppression Plan

The Kiangsu Provincial Opium-Suppression Commission was formally initiated at a ceremony held in Chinkiang Sept. 23. Chen Kuo-fu, Chairman of the Kiangsu provincial Government, presided. Yu Hsi-lai, representative of the Kiangsu Provincial Party Headquarters, in a speech said the Kiangsu Provincial Government has now decided to extirpate the evil from the province, not in one day, but in four years. He expressed the hope that the public will co-operate with the Provincial authorities in the execution of this four-year program.

Caravan With Opium Caught in Demilitarized Zone

A consignment of opium, weighing 7800 ounces and valued at about $15,000, was seized last week by Bureau of Public Safety Officers at Lingyu in the North China demilitarized zone. The opium, it is alleged, was being smuggled from Jehol for the Tongshan market. Six smugglers were arrested when their caravan of several camels and two ponies were found to be carrying the illicit cargo.

Heroin Dealer Is Executed at Peiping

A notorious heroin dealer named Feng Jui, himself an addict, was executed at the Bridge of Heaven in Peiping Sept. 21 under orders from General Chiang Kai-shek. Prior to his execution, the condemned man asked for permission to make a speech. This was given and, with the utmost composure, he admitted his guilt and warned other offenders to mend their ways and thus avoid the penalty he was about to pay for his misdeeds. After the execution, a photograph of the body was taken. Copies of the picture will be printed and distributed with a proclamation warning the public against trafficking in drugs.

The Centre for the Treatment for Drug Addicts, was formally opened at Peiping Sept. 21. Dr. I. C. Fang, director of Public Health, presided.